Daily Report

Latin America

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Cuba

ANPP Session Debates Helms-Burton Bill

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[FBIS Editorial Report] Havana Radio Rebelde Network in Spanish at 1754 GMT on 3 May begins broadcasting, via live relay from the Convention Palace in Havana, coverage of public hearings by Cuba's National Assembly of the People's Government (ANPP) on the Helms-Burton bill.

In response to a reporter's question posed on the sidelines before the hearings kick off, ANPP President Ricardo Alarcon says: "I hope this afternoon's session will serve as a basis for a more complete and detailed analysis of the various points of this bill, which is of great interest for all Cubans. I also hope it will serve to begin a process we feel should include the entire nation. We feel it should reach all the people, first of all, so they can exercise their right to be well-informed, to know about something that concerns not only the deputies but the 11 million Cubans.

"As we advance in the discussion of the law and as we read it, we will understand its (?contents). I am certain we, beginning today, will begin a process of collective reflection, analysis, a study that at the same time will serve to mobilize and create awareness among our people. It is the best demonstration, availing ourselves of an opportunity provided by the enemy, of what our people are facing and of our national alternative. We must save the revolution or fall into the hell they have prepared for us."

In response to a question asking if he has sensed the repressed need by the voters, deputies, and delegates to begin expressing with patriotism Cubans' protest over this bill, Alarcon says: "Yes, I believe so. There are already many expressions of that nature. I believe the 1 May activities reflected this point not only in Havana but in all provinces. I am certain this process will enable our people to give a massive, overwhelming, conscious, and profound reply and to draw all the logical conclusions as a result of the effort and challenge we have before us at this time."

The preceding is the complete text of Alarcon's remarks.

Opening the hearings, Jorge Lezcano Perez, president of the ANPP's International Relations Commission, announces the agenda of the session, adding: "At the end, we expect a few words and comments from Comrade Alarcon, president of our National Assembly."

Deputy Lazaro Borrel comes forward next to begin his remarks on the Helms-Burton bill, followed by Deputy Marie Lou Hammer.

At this point, a question and answer session opens on the pending U.S. legislation. Following a number of brief remarks criticizing the Helms-Burton bill by panel members, some of whom are unidentified, the station announcer breaks in and offers a 5-minute explanation of the Helms-Burton bill.

At 1912 GMT, the station returns to Convention Palace where Culture Minister Armando Hart is speaking in progress. Hart says:

"...the law or the summary Comrade President Alarcon sent, I became aware that we were facing a problem that is not ours alone; it is a world problem [words indistinct] the world. That is the question I keep asking myself, because, although this problem concerns Cuba, it also goes beyond it; it even concerns the United States. In short, what has hatched here is, we might say, a type of fascism. To use the phrase currently in vogue, post-modern fascism has been instituted. Then..."

Unidentified speaker, interrupting: "[Words indistinct] in modern terms."

Hart resumes: "Post-modern fascism. How do we face this problem? I am asking this because I believe the U.S. people are also involved and because the people of the world are involved. I was wondering whether we could take all of these detailed legal and technical documents our comrades have drafted to an international forum and to the international legal organizations. I think this possibility should be reviewed. It could be a major propaganda exhibition.

"On the other hand, one state alone is not what is being adversely affected. We are not even talking about of the [word indistinct] of the socialist revolution or the overthrow of the government. We have to explain here that the extinction of a nation is being considered. It is not a nation that does not have deep domestic problems posing economic contradictions. On the other hand, it does not have the problems that Yugoslavia, Chechnya, the former Soviet Union, or those countries in the world facing ethnic and cultural rivalries have. Our rivalries here are not of that sort.

"They are trying to wipe out this nation. The question I keep asking myself is this: What can we do to enable everybody to become aware of this situation? I am confident that if we adopt a program, an idea, or a project that embraces scientific, spiritual, academic, labor, and worker-based arguments, the entire world will realize that the radical change of the political and legal system stipulated in the 1945 San Francisco Conference is what is being considered here. Fifty years later, they are changing the entire system and the free trade system is being undermined. This is what is being considered. Our people will not allow this, because we have the support of the world.

"I wanted to read to you something about Marti, something that has to do with this situation, especially in the year of his centennial in order that the people in the United States can get the idea. Before making efforts to

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make the fatherland free and prosperous, the southern sea will merge with the northern sea, and a serpent will be born from an eagle's egg. [sentence as heard] This is not a [word indistinct] phrase. This is what could happen in reality, because they are now announcing that the CDR's [Committees for the Defense of the Revolution] and the Cuban institutions will be extinguished. Well, I have the right to speak up, and we can tell them that. I am questioning the extinction of U.S. rights and the right wing of the Republican Party. I have the same right to say this, just as they do. How can we make this known to the world? How can we disseminate it? How can we face it? This is how we are doing it.

"Nevertheless, I think we [words indistinct] ponder on how to promote a gigantic campaign and a dialogue, as it is being partly done, while strengthening it even more. I believe the steps we have been taking are good for the entire country. What is being considered right now is a new era of neofascism at the end of the century."

The preceding is the text of Hart's five-minute statement.

Following Hart's remarks, Radio Rebelde again breaks from the proceedings and broadcasts a 10-minute series of reports from Holguin and Guantanamo Provinces on workers' efforts to oppose the most recent attempt to tighten the U.S. blockade on Cuba.

The ANPP proceedings continue with Vice Minister of Foreign Trade Raul Taladrid explaining U.S. tax law. Taladrid's statements are followed by a discussion between two unidentified panelists, which is interrupted with a report from the Isle of Youth on the farming of land that formerly belonged to a U.S. citizen. This is followed by a six-minute report summarizing the day's events at the Convention Palace.

Radio Rebelde returns to its live relay from the ANPP session and begins broadcasting an extended question and answer session in which the Helms-Burton bill's possible impact on Cuba is discussed.

Carlos Fernandez de Cossio takes the floor and makes a two-minute statement, the text of which is:

"In reference to the progress that has been made on migratory issues with the United States, there is no direct relationship between the discussion of this bill in the U.S. Congress and the talks and agreements that have taken place between Cuba and the U.S. Government regarding migration issues.

"One would think that in view of the fact that the economic blockade has been a basic incentive for promoting migration, or considering the very fact that there has been a migratory flow from Cuba to the United States, that if the blockade were increased, if it were to have a real effect, if it were to increase the country's economic depression or intensify the economic stranglehold on Cuba, the obvious result would be a trend toward increased migratory flow.

"This, however, does not imply the existence of a direct relationship between this bill and the dialogue or the talks that have taken place with the U.S. Government, nor does it, of course, imply that the aggression is becoming retrogressive. On the contrary, if this bill is approved and implemented, the U.S. aggression against our country will escalate considerably."

At 2031 GMT, the ANPP session is recessed for 30 minutes, noting that 18 panelists have participated in the discussion so far and that four others are pending. At this point, Radio Rebelde breaks from live coverage of the session.

The hearings resume with a discussion of the Helms-Burton bill's impact on human rights and Cuban sovereignty. During this discussion, Vice Minister Taladrid and Dr. Olga Miranda give extended background information on U.S.-Cuban relations dating from the 1960's.

Following Miranda's remarks, several speakers engage in extended criticism of the Helms-Burton bill, claiming that it violates international norms of self-determination, sovereignty, and non-intervention, as well as the way the U.S. Government has traditionally conducted its foreign affairs since the 1930's.

Radio Rebelde breaks from the ANPP proceedings for nine minutes to broadcast a live interview with Deputy Raul Suarez, director of the Martin Luther King Institute, on the religious implications of the Helms-Burton bill. This is followed by a series of live reports from Cienfuegos, Holguin, and the Isle of Youth where average Cuban citizens comment on how Cubans were exploited before the revolution and voice criticism of recent anti-Cuban measures in the United States.

The station returns to its live coverage of the ANPP hearings, where Miranda, speaking in progress, is answering a question about the details of the Helms-Burton bill. She is followed by several deputies, one of whom gives details about the life and background of U.S. Senator Jesse Helms.

Next, Miguel Alfonso comments on the French foreign minister's opposition to the Helms-Burton bill. Alfonso is followed by several unidentified speakers who talk at length about the effects of the extreme right-wing on U.S. policies, property distribution in Latin America, and domestic U.S. politics.

ANPP President Ricardo Alarcon then makes his closing speech. He ends his speech at 2332 GMT, after which Radio Rebelde immediately concludes its live coverage of the day's ANPP hearings.

Alarcon Addresses Hearings

PA0405010895 Havana Radio Rebelde Network in Spanish 2249 GMT 3 May 95

[Speech by Ricardo Alarcon, president of Cuba's National Assembly of the People's Government, ANPP,

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closing the ANPP's 3 May session of public hearings on the Helms-Burton bill, at the Convention Palace in Havana—live relay]

[FBIS Translated Text] I believe that today's meeting has been truly productive. It seems to me that, through the interaction among the various panelists and the comrades who posed questions and made comments, we have covered virtually every aspect of the Helms bill. I think it is clear that this document contains a series of international law violations that could prove detrimental to international relations, disregard the principle of state sovereignty, and violate a series of principles that have been noted throughout the session.

I believe that for us Cubans it contains two very clear messages: one, that an effort is being made to adopt new measures to strengthen the blockade, to make it even harsher, and to try to make it more efficient. In this regard I believe that it is correct, as has been said here, that one fundamental fact stands out: If the extreme right believes that in 1995 it is necessary to pass another law that will increase pressure; that will heighten U.S. confrontation with other countries; and that will increase punitive measures to be imposed on businesses, individuals, and institutions which fail to respect the blockade, it is obvious that this need arises from the fact that the blockade policy, despite everything else, despite the disappearance of the Socialist bloc—even though after this event in 1992 they passed another law strengthening the blockade, namely, the infamous Torricelli law—none of these efforts, which have hurt us, which are still harming us, and which are creating very serious obstacles for our development, violating international law, and which have been rejected and condemned by many people throughout the world—indeed, by the vast majority of humanity—have managed to achieve full success. They have not managed to implement this policy 100 percent.

In other words, in response to this fact two reactions are possible: the one that has been recommended, suggested, and requested by the entire international community. It is the reaction that has been reflected with increasing strength in virtually every form of media in the United States, by the U.S. press in its entirety, almost without exception; the reaction that many political figures and many reasonable people in the United State have been recommending, which is simply to abandon a policy that is not only illegal, immoral, and unjustified but cannot be imposed on the world. This is the rational, logical position that common sense would suggest.

The other position would be the one on which some people are stubbornly insisting: confirmation of a policy that is illegal, immoral and, furthermore, cannot be imposed on the world. The Helms bill reflects this second position. It is a desperate attempt, an attempt to find a way to invent new punishment and new difficulties by entering a sphere that truly stretches the imagination. Think what it would mean—as some of the panelists have brought up—if, among other things, they were to ban certain people's entry to the United States or, in other words, if they were to declare them excludable—to use the legal term. It would mean that some people would not be entitled to enter the United States even as visitors. [Words indistinct] visas to the children or spouses of people involved in the reality of investments or trade involving properties that belong to the Cuban people and which the United States would arbitrarily attempt to present as its own, even if only 50 percent belonged to anyone that was not a North American when that property was nationalized, but is a North American now.

The scope of... [pauses] this measure alone, to give you an example, is virtually impossible to imagine. It would mean, among other things, that the United States would have to allot huge sums of money from its budget to create mechanisms, procedures, and systems in order to implement this particular regulation. The United States would have to use large sums and many people to implement any other regulation established in the law. For example, to regularly inform Congress—the administration would have to regularly inform Congress—of virtually all of Cuba's commercial and economic activities with all of the businesses, corporations, and countries on this planet.

It is curious that conservatives—the same ones battling in the U.S. Congress to reduce social programs; to reduce social spending for the benefit of the poor, minorities, women, and children; the ones who are using the budget to justify the elimination of school lunches—are inventing a new mechanism which, among other things, if they are going to implement it in the event it is approved as a law, proclaimed, and so forth, would require quantities which no one is prepared to disclose.

With regard to visas, I do not know what they are going to do to punish the spouses and children of heads of households who maintain economic ties with Cuba if they are from countries which, thanks to bilateral agreements, do not require visas to enter the United States. What are they going to do? Create special apparatuses to watch Canadians, Britons, or Europeans from countries that have special arrangements with the United States, to determine when they arrive at the U.S. border whether they are the children, spouses, or relatives of someone who does business with a company which, among other things, has invested or trades with properties that are not [words indistinct], which has been mentioned several times, but is property—God knows it—50 percent of which used to belong to someone who claimed to be Cuban and now says, rightfully so perhaps, that he is North American.

In other words, there are reasons to assume, without thinking of Cuba—let's forget about our country for a moment—there are enough reasons for the parliament of a country, currently very much concerned with seeing how it faces its many economic difficulties, how it deals

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with overwhelming social problems, that what is really needed is a spirit of reduction, of limiting expenses, and so forth. How can someone introduce a bill that would have consequences like these? But I can say that now it is close to 1900, we have spent more time at this meeting than the illustrious Senate and the no less illustrious House of Representatives in Washington have spent on this draft bill.

Instead, the proper thing would have been to wait, even if it were just for that reason, to see the possible funding and budget implications, which government officials know would be limitless. Remember that the first time this law was discussed in the Senate was when Senator Helms, in a surprise move and much like a highwayman, in the middle of another debate when the U.S. defense budget was about to be voted on, presented this voluminous homework [tareco], which has been mentioned so much this afternoon, as if it were an amendment to the defense appropriations law.

In theory, this scenario that is so democratic, which tells the entire world how democracy should work, approved in a matter of minutes a law, which as has already been said here, repeating what people the world over say, violates all international norms and principles and creates big problems in the United States. But in addition, its enforcement would be [words indistinct] what those same legislators today consider their main task—balance the budget, reduce costs, expenses, and so forth.

Hopefully, Senator Helms will really do what was asked of him that afternoon by one of his Senate colleagues: Sir, you are the commission president; you should not present by surprise attack an amendment such as this. You should have summoned the commission first, at the very least. Up to now the commission has not met and of course it has not held any public hearings. Supposedly they will hold them. I do not know whether they are going to act as we do. I do not know if they are going to take this text and consult with all U.S. entrepreneurs; I do not know if they plan to ask each of those representatives of companies that would be directly and literally affected.

Remember Dr. Miranda's explanation—it seems to me very pertinent—of this. If at this stage the concept of expropriated property and U.S. citizenship, on which the law is very explicit, were to be modified—I do not know if they are going to invite workers, peasants, and students and hold an open debate on this law. In any event, what we do want to announce to you is that we will do this here. This is only the first hearing—we are already several hours ahead in debates—and all we are doing here is beginning a process in which we hope that all our people will learn as much as possible and in the greatest detail about what Washington intends to impose on us. We also offer the opportunity to the people to express themselves on this proposal, to understand it in depth, to participate in the democratic exercise that we as the parliament have to carry out, before thinking of possible replies and actions that can be taken. Some proposals have already been made since Companero Hernando spoke. This idea is not exclusive to our deputies, but are the ideas of our people. Our people can contribute, add to, and enrich these ideas.

As Lezcano explained at the beginning, this is also the result of our efforts to continue perfecting and improving the methods and work styles of our parliamentary system. In other words, this is not the first hearing we've held, as you well know. But what is the essence of these hearings? To go beyond the participation of commission members, institutions, and people who have a direct interest in a topic, and thus try to search for more realistic and more effective participation by our people in ANPP activities. This is truly a topic that really and directly concerns the people, without exception each and every Cuban, and each and every female Cuban, that is, Mr. Helms' draft bill.

Each and every one of our fellow citizens knows very well why this statement I have just made is literally and rigorously exact. It is their right and it is our obligation to facilitate for them and make it fully understandable, in order that they know what is being plotted against our people right now in the United States.

I am not going to repeat the arguments or the topics that have been discussed and dealt with, to my way of thinking, very clearly and logically, by the different companeros who have spoken here this afternoon. I would say that this draft bill, among other things, is another important message to our people, and reflects the culmination of the historic route followed by those who advocate annexations [anexionistas]. It is also the culmination and development of the parasitic character of this phenomena that emerged in our country when the Cuban nationality was beginning to emerge, which was the annexation phenomena. Not only annexations, but parasitic annexations.

Perhaps early in the 19th century there may have been some attempts to annex, by those who wanted to annex by risking their necks, risking their lives, and who tried to attain an aberrant, false, and antinational goal, and so forth. But at least they risked their necks. But for a very long time annexation in this country has been parasitical. That is why today there are North American people, to continue reading the text of the law, who are over there, who went and sought refuge there, and from there they hope to recover the farm, the factory, their home, the land—the material things that were a reflection of the exploitation imposed on this people for a long time.

Remember that this has been the essence of their conduct, of their behavior. They went there to seek shelter and then tried to get the North Americans to return to them the privileges and perks that they lost in our country once and for all.

Some companeros have pointed out that this law intends that a supposedly post-revolutionary Cuba would be turned back into to a pre-revolutionary Cuba. That is

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really a very moderate way of putting it, very moderate. I believe the expression in English is understatement [preceding word spoken in English]. I do not know how to translate that into Spanish. But anyway, it is something that does not fully reflect the meaning. I am going to give you an example; here is an official document issued by a U.S. agency that has analyzed the Helms draft bill.

Speaking of the claims on properties, I do not know whether this is an exact figure or whether the calculations are technically accurate, but, nevertheless, it can serve as a point of reference. The author of this work—may I explain that this is an official U.S. Government agency—also points to the problem involved in extending and expanding this a posteriori criterion of returning properties to individuals who were not U.S. citizens when these properties were confiscated but are now U.S. citizens. The author estimates that such a reversion would be worth $100 billion.

Just think how many sugarcane and tobacco crops, how many tonnes of nickel, how many years of tourist visits to our country, how much effort and work these people would have to do to accumulate $100 billion. This is just to offer a comparison and to give you an idea of what we are talking about—of how much this amounts to. Apart from the disagreements between the two governments—those we had in the 1960's and the debate surrounding this issue—this is one of the issues that has been nearest the core of U.S.-Cuban litigation. Up until now, it can be said that this litigation had been dealt with in terms that more or less agreed with international law and precedent. We had been talking about properties owned by U.S. enterprises and individuals who were U.S. citizens at a time when the revolution enacted certain regulations ordering the seizure of those enterprises.

Olga mentioned that it took the Federal Claims Commission seven years to assess the value of properties owned by these genuine U.S. citizens, properties which had been confiscated in Cuba. No one has any idea how long it would take to assess the value of the properties that each of the new individuals would recover under this law. Among other things, the U.S. taxpayer would have to pay a little more taxes than he paid in the 1960's just to finance the expenses of the commission tasked with assessing the values of the properties owned by truly U.S. citizens. Comrades, there was a debate in those years—and this is evident in the U.S. newspapers of the time—and this debate was bigger than the one going on now. I am still waiting for the first article or commentary by someone who can remember that, by the mid-1960's, editorials in U.S. newspapers reported people's protests over what the taxpayers would have to contribute to finance the commission's operation, investigation, analysis, and paperwork to determine how much would correspond to each and every one of those enterprises. Moreover, we are talking about a bunch of enterprises that could be mentioned by name. No one could give a complete list of annexationists who would not even know what they were demanding.

Although this would expand the situation in a highly immeasurable manner, not even this aspect has been adequately debated, at least not by experts. Maybe the experts here can remember an editorial or article in current U.S. newspapers reporting that 30 years ago there was a serious controversy between President Johnson and the Congress on who would pay for this part of the activity. Now, anyone can understand that, if the idea was to determine the value of those properties—in the 1960's it was $1.6 billion, perhaps $1.8 billion—the issue now would be to determine how much each one would receive. The official agency mentioned the figure $100 billion, just to give an idea of what was at stake.

At other times, in certain meetings our assembly has held, I have shown—and I know that [words indistinct] Lezcano has also shown—certain Floridian publications that carry statements and interviews with people who talked about their houses and identified themselves and explained how they hope to recover their houses, statements, or outlines like the ones from the so-called National Association of Landed People in Exile [Asociacion Nacional de Hacendados en el Exilio], which for years has had a policy that the solution to their problems is to get back their former land, their former mills, and their former properties.

Because the law stipulates return or compensation, I believe that it is important to make a distinction between them. We cannot ignore the fact that as we expand the concept to include all that fauna of so-called Cubans, who are now legal American citizens, we are talking about a countless number of very concrete, very tangible, and very material claims expressed in a plot of land, a house, or a building. This is what they have been arguing for years, thus meaning that they intend to physically and literally evict the 11 million Cubans living here from our houses, from the schools our children attend, from the hospitals where we are being treated, from the social circles [circulos sociales] we have achieved, and from the nursery where many of our children go. In addition, with the context of the law, 1 million consequences could be inferred from the manner in which traffic and benefits are defined, by the broadest possible definition that a Floridian or North Carolinian writer could have imagined.

As far as compensation is concerned, recall the figure that these gentlemen came up with; the idea is to have compensations amount to $100 billion. I do not know if they included the cow and the vehicle that Olga mentioned in this estimate. They perhaps are including much larger items, because I do not know who the hell can make such an estimate. Comrades, how many years it would take and how many generations of Cubans would have to work year after year to amass that amount to compensate these people for their supposed properties?

We have already talked about trusteeships, trust territories, and freely associated states. I think that I did not exaggerate when talking about slavery. This would mean that our people—the 11 million Cubans—would have to

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be converted to a bondage or slavery system to be able to make what was after all an old annexationist dream become a reality. I do not recall—and it is not worth recalling—the name of that 19th-century annexationist who, with the controversies in the Cuba of the times between those who sought independence and those who favored joining the North, defined what the fatherland was for them. The fatherland is property. This concept would then finally become reality, as is clearly stated in this document we have been analyzing. We have also talked, of course, about all the vicissitudes that a document such as this could go through. Let us hope the U.S. Congress will discuss it in at least an orderly fashion.

Olga was mentioning the Sabatino case. The Supreme Court, by a vote of eight to one, recognized Cuba's right in 1964. But that society has undergone many changes. For example, a few days ago the Supreme Court, by a vote of five to four, rejected a law that Congress had approved at the request of the government banning the carrying of weapons or gunrunning inside or near elementary schools in the United States. That there must be a law banning the carrying of guns at elementary schools is somewhat surprising for Cubans. In good faith, the government asked Congress to ban guns; Congress approved it; and a few days ago, the Supreme Court, by a vote of five to four, declared this law unconstitutional. We are talking about a country where you can approach—as the character that our dear friend (Enrique Nunez Rodriguez) reminded us of did—a first-grade classroom with a pair of guns on you, and if someone were to prevent you from doing this, he would be violating the sacrosanct U.S. Constitution. It is a society where situations like this occur and where decisions like this are rendered, surprisingly only a few days after a barbarian or some barbarians blew up a building in Oklahoma City and murdered a bunch of children. Despite all the emotions that this atrocious attack has sparked in North American society, certain justices declare it unconstitutional to prevent people from carrying guns in elementary schools.

We must remain aware that any barbaric act could emanate from that society that needs so many reforms and so many efforts to confront their countless vices. If those legislators had real character, they would devote themselves to these efforts, instead of persecuting investors' spouses or tradesmen's children all around the world just because they conduct business with the Republic of Cuba.

Basically, what we have before us is the plan drafted for Cuba, for our future, and for our fate by that unnatural alliance between the U.S. revolutionary and reactionary ultra-right wing and those annexationists born on this island by chance years ago and who long for the complete attainment of the historical goals of that group that emerged from our society in the last century. The parasitic nature of this sector has existed throughout its evolution, and even through its handling and manipulation of the relationship between the United States and Cuba.

Here's an eloquent example. As the joint declaration, of which you are probably aware, was announced in Washington and Havana—a declaration that has sparked, as it should have sparked, favorable and supporting reactions by several sectors of U.S. society—we now see how they raise the roof and how representatives of that fascist and annexationist mafia who also co-authored this bill got hysterical. It was they who prompted President Clinton to make the mistake of confining those rafters who tried to reach the United States last summer to the Guantanamo base. This situation has been documented and made public; they did not hide it. They were responsible for this action, for this big mistake of having used the naval base for this purpose. Ever since then, they have tried to use the presence of this group of fellow nationals on the base for petty political purposes: They were going to let them enter the United States, they were going to propose that they be admitted and welcomed, etc., etc. They said that they were going to help them settle in North America.

Now, because they want to undermine the agreement, they are frustrated by the fact that the Clinton administration has taken the important, positive, and fair step of abandoning a basic element of the anti-Cuba policy, which the United States had been applying since 1 January 1959, when they received the first rafters. We remember that famous rafter, Rolando Monterrey, who arrived, not on a raft, but on a yacht, with his weapons and the money he had stolen from our people, as many others have done. The policy of admitting each and every one with privileges had been applied ever since then until not so very long ago. All that the Clinton administration has done in relation to Cuba is apply U.S. law and end ill-intentioned and deliberate manipulation. This is why this is a positive step that should be commended. No Cubans are discriminated against or harmed. He treats Cubans as he would all other people in the world, as the attorney general said yesterday.

Bear in mind, however, that some Cubans are used to thriving like parasites off U.S. society and using it for their own benefit and their own homeland, that is to say, to line their own pockets, in the hope of recovering as many properties as possible. This is the worst possible insult. They have publicly declared that they will oppose and resist an agreement between the United States and Cuba. They have even announced that they will not cooperate at all in resettling people from the Guantanamo base. For months, they tried to portray themselves as sponsors and friends of the immigrants, as people willing to solve the immigrants' problems.

These are the most recent developments. They illustrate why these people lack the nationality they never deserved, Cuban nationality, that they cannot even be loyal to the country whose nationality they assumed, except to have a farm, house, or property returned to them. They defy something which no doubt constitutes improvement for U.S. society and the whole United States too. They go back and forth in Miami reviving the

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worst things about the Cold War, the worst McCarthyist style, trying to penalize those who dared negotiate this agreement, trying to undermine it even if they have to prolong the penury, the misery, and the problems of the Cubans on the Guantanamo base.

Consequently, we can say—and I expect those Cubans to remember this when they finally reach Florida—that it was Mas Canosa who interned them and prolonged their stay in Guantanamo. I mention this man's name as a symbol representing everything about these dregs of Cuban society. In any event, these people have acted against true U.S. interests. Of course, these far right and mafia coalitions will not prevail over our people's will.

There is some debate over whether the bill will actually be approved, whether there will be amendments, whether the bill will be sent to one committee or another. Let's see whether they are really capable of discussing the bill in the United States.

There should not be the slightest doubt, however, that neither this bill nor a 1,000 bills enacted in Washington will decide our destiny for us. Nothing will be taken away from us, regardless of the many bills that might be approved in Washington. To recover your little farm, our latifundio owner, you must come here, not with a law in your hand, but preferably with a machete, because you will encounter a few peasants who will defend this land which is theirs. And the same can be said of every piece of this country. Every Cuban should understand this and identify the person who wants to take his property away from him. The owner should express his irrevocable determination that he will not let anyone take anything away from him here, that millions could be spent on paperwork and bills and this fascist or semi-fascist exercise, but that it is necessary to fight, something annexationists have never done. No one will give the parasites absolutely anything here because it is necessary to come here, legislate here, and impose the legislation on our people here. And we have more than enough weapons to defend ourselves. We have more than enough machetes, rocks, sticks, fists, and, above all, will and determination to ensure that what they want to do is impossible and will never happen.

I will end by recalling part of what I said when we commemorated 24 February. Peasants will never be evicted from their land. People will never again be kept away from beaches, hospitals, and social circles. Young people will never again be expelled from their schools, children from their centers, or families from their homes. No one will again take advantage of the workers' sweat. Blacks and the poor will never again be excluded from the barrios where they were not even allowed to walk. Dislodging of peasants, eviction, racism, exploitation, abuse, and shamelessness will never again return to this country. Never again. Thank you. [applause]

Roundup on Reaction to U.S. Migration Policy

FL0305215995

[FBIS Editorial Report] The following is a roundup of reaction monitored from Cuban domestic media to the U.S. Administration's recent decisions regarding Cuban refugees.

Havana Radio Rebelde Network in Spanish at 1700 GMT on 3 May opens the regularly scheduled "National Radio News" program with the following recorded telephone interview with Esteban Torres, Democratic congressman from California, by correspondent Zenaida Costales:

(Costales) "How has the U.S. press responded to this new migration agreement?

(Torres) "They see it as a different step from the one previously taken by the U.S. Government, which was not going to accept any more refugees. The government decided that this was an important change that needed to be made, simply due to the possible consequences which could take place this summer. There have been mutinies in the camps, and the situation is also unfair. This is a new strategy. I believe that it is an appropriate step, and I hope that similar measures will follow.

(Costales) "You have a practical and realistic view of the U.S. situation. Do you believe the Helms-Burton bill will be approved?

(Torres) "I believe that the Helms policy is totally negative and absurd. We should not break the agreements simply to allow Helms to achieve his goals. I believe the bill will be rejected. There is not much support in the United States, except perhaps in Florida."

Havana Tele Rebelde Network in Spanish at 1630 GMT on 3 May opens its regularly scheduled afternoon "NTV" newscast with anchorman Carlos Iglesias informing viewers that the National Assembly of the People's Government's (ANPP) Foreign Relations and Constitutional and Judicial Commissions will be holding public hearings on the Helms-Burton bill later in the day.

Iglesias points out: "This public hearing is aimed at providing the population with all the information regarding this bill, which has been widely rejected throughout the world. Even allies of the United States condemn this intent to extend U.S. legislation, thus hindering even these countries' national sovereignty."

Tele Rebelde then carries a brief clip of a news conference by ANPP President Ricardo Alarcon from 2 May, including Alarcon's remarks on the migration agreement.

Iglesias adds: "Many experts consider that if this virtual declaration of war against Cuba were to be approved—something that is possible based on the U.S. Congress's conservative majority—there will be great tension in the area."

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Iglesias goes on to mention aspects of the Helms-Burton bill, noting: "The bill calls for the return of all property which has been socialized in Cuba from 1959, including not only U.S. properties but also those properties belonging to Batista supporters and others. The bill's sponsors also stipulate that it will be necessary to install—what they call—an ideal government, which would be made up, fundamentally, of right-wing elements of Cuban origin from Miami before the blockade could be lifted."

Tele Rebelde closes its report with another brief clip from Alarcon's news conference, including Alarcon's remarks on the Helms-Burton bill.

Havana Tele Rebelde Network in Spanish at 1630 GMT on 3 May, during the regularly scheduled afternoon "NTV" newscast, carries the following remarks by correspondent Fritz Suarez Silva:

"I have been at my computer all day today, reading reports off of all the press agencies regarding reaction to the recent U.S.-Cuban migration agreement. Reaction has come from both inside and outside the United States. This agreement has prompted some very strong reaction inside the United States. Fervent self-proclaimed fighters against communism and Fidel Castro reacted violently in Miami, saying that President Clinton had betrayed the Cuban cause.

"I was asking myself just moments ago: Which Cubans? Someone near me at the time reminded me that there are Cubans out there who have become millionaires thanks to Fidel Castro's presence and the U.S. blockade. They are the same people who demand that the White House consult them on any decision regarding Cuba. They support any policy that strengthens the blockade and sabotage any policy that would benefit the true Cuban people—that is, those who are here, who do not have millions, and who do not exploit other human beings. The propaganda business around the rafters issue is slipping through the fingers of those who go around the world painting them as political exiles and concealing the harsh effects of the blockade, which bars access to much-needed medicine to save children's lives. Anti-Cuban fever prompted some of these outdated Cuban freedom fighters to threaten President Clinton, warning him that they could sabotage this agreement.

"However, not everyone was negative. OAS Secretary General Cesar Gaviria today praised the Cuban-U.S. agreement, calling for new steps to be taken to solve the crisis between Washington and Havana. Sure, he did not mention that we would have to negotiate with those in exile. There is cold silence regarding these anti-Castro fighters, who I am certain are ready to react viciously—as they always do over there, because they will never be able to do the same over here. They can only get Miami and some in the U.S. Congress to react violently to any agreement between Cuba and the United States."

Havana Radio Rebelde Network in Spanish at 1700 GMT on 3 May carries the following report during the regularly scheduled "National Radio News" program:

"One day after the announcement that Cuban rafters held in Guantanamo would be admitted into the United States, Florida Governor Lawton Chiles has said that the state is getting ready to receive these immigrants. Chiles also registered his support for the decision of the Cuban and U.S. Governments, whereby Cubans trying to reach the United States who are intercepted at sea will be returned to Cuba.

"Meanwhile, reaction within Florida's Cuban community varied. ECO television reported this morning that Cuban community leaders expressed their satisfaction with the decision, especially since it means that Cubans being held at Guantanamo will be allowed to enter the United States. However, they also said that they were bitter over the decision to return prospective illegal immigrants to Cuba. Some reports indicated that ultraright wing organizations, such as Jorge Mas Canosa's Cuban American National Foundation, had expressed their rejection and warned that they would not continue to support the privately funded program in which Cuban rafters were to be taken from Guantanamo to the United States since they had not been consulted by the Clinton administration.

"Coinciding with talk of the new Cuban-U.S. migration agreement, the Pentagon has announced that the Guantanamo Naval Base will play a lesser role. General John Sheehan, who is responsible for the Atlantic Command, has said that Guantanamo will convert to a guardpost once the rafters leave and that Washington will not abandon it."

Migration Accord Prompts Diverse U.S. Reactions

FL0405022595 Havana Radio Rebelde Network in Spanish 2331 GMT 3 May 95

[From the "Exclusive" program]

[FBIS Translated Text] The recently signed migratory agreement between Cuba and the United States has prompted diverse reactions in the United States among the various political sectors.

Prominent ultra-right-wing members of the Republican Party, among them Jesse Helms, chairman of the U.S. Senate's Foreign Relations Committee, criticized President William Clinton for granting thousands of Cuban rafters, held at the Guantanamo Naval Base since August 1994, entry into the United States. Helms and other U.S. cavemen reject the White House decision to return illegal Cuban immigrants, who were intercepted at sea by U.S. Coast Guard vessels, to their place of origin.

The Cuban community's Mafia also expressed this opinion in Miami, especially the Cuban-American National Foundation, which accused Clinton of having made both decisions without having first consulted with the organization's leaders. This organization, which is anti-Cuban and supports annexation, also accused Clinton of exploiting the current U.S. anti-immigration

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attitude for electoral and other proposes. However, organizations of Cuban immigrants who reside in the United States, who favor dialogue with Cuba and oppose the U.S. blockade, expressed their support for this new migratory agreement between Cuba and the United States.

U.S. Senator Bob Graham, Florida Democrat, and Florida Governor Lawton Chiles, as well as other Democratic politicians, expressed their support of Clinton's new policy regarding illegal Cuban immigrants. U.S. experts indicated that Clinton's new position could cost him Florida's votes in the upcoming presidential elections, but could give him California's, where the population approved Law 187 just months ago, which aims at eliminating those who do not have legal documents.

On the other hand, while the anti-Cuba Helms-Burton bill is trying to close the doors on international trade with Cuba through reproachable and meddlesome measures, several democratic congressmen presented a bill in the U.S. Congress today, called Fair Trade and Open Markets 1995. This bill is aimed at exporting U.S. products to 10 countries where protective tariffs are currently in place.

It was announced today that over 50 percent of the U.S. population supports NAFTA, by which Canada and Mexico, two of the member countries, could be discriminated against if this legislative aberration—the Helms-Burton bill—were to be approved.

Reassignment Requests Over U.S. Policy Differences Reported

FL0305111595 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 3 May 95

[From the "NTV" newscast]

[FBIS Translated Text] AFP reports that two U.S. State Department employees responsible for implementing U.S. policy on Cuba have asked to be reassigned in protest over the decision that calls for repatriating Cubans intercepted while trying to reach the United States. AFP says that Dennis Hays, head of the U.S. State Department's Office of Cuban Affairs, and Nancy Mason, his deputy, asked to be reassigned in light of their disagreement with the measure calling for repatriation of those intercepted while trying to leave Cuba. Hays headed the U.S. delegation during the last three rounds of migration talks with Cuba, the most recent only two weeks ago in New York.

Panel Debates Shift in U.S. Policy

FL0305235295 Havana Radio Rebelde Network in Spanish 1600 GMT 3 May 95

["Straight Talk" program with host Osvaldo Rodriguez from BOHEMIA magazine and guest Renato Recio from TRABAJADORES newspaper—live or recorded]

[FBIS Translated Text] [Rodriguez] The Cuban Government, simultaneous with the U.S. Government, recently announced normalization of migration relations between the two states.

Renato, you attended the news conference by Comrade Alarcon, who presided over the Cuban delegation in these negotiations. Could you please explain to our listeners the most difficult aspects of this accord. Could you first tell us which you think comes out further ahead as result of this accord, or normalization of migration relations—Cuba or the United States?

[Recio] You have asked me about four things in one question. Let me see if I can get organized. The first issue is what is being described as normalization. I believe we must call it a virtual normalization of migration relations, particularly keeping in mind that for the first time since the triumph of the Cuban Revolution, the United States has placed Cuban emigration in a context of equality with citizens of other countries. I believe it is virtually a normalization of emigration relations, but it is evident that this accord was reached in connection with certain old problems—for example, the problem of the Cubans being held at the Guantanamo Naval Base.

[Rodriguez] Of course. I believe that is probably the most difficult issue of the negotiations.

[Recio] I do not know that. Actually, it was not addressed in the news conference, and the one by U.S. Attorney General Reno most likely did not give details about which issues emerged as the more difficult.

[Rodriguez] I remember that during the meeting in Havana, one of the spokesmen of the Cuban delegation said at one point that this was one issue about which no accord was reached.

[Recio] That is more than likely since it is a complex issues, and the solutions are complex. They are currently considering humanitarian paroles. In other words, both nations agreed to use this concept for the Cuban citizens at Guantanamo Naval Base, with the exception of a number of them—seemingly a small minority—who have been declared inadmissible. It is the United States' prerogative to declare inadmissibility for a group of people in Guantanamo. It is being said that it is small number. The majority will therefore be paroled in the United States for humanitarian reasons, which is akin to a probation.

[Rodriguez] Alarcon explained that the United States relaxed the rules somewhat to allow them in.

[Recio] That is the case with the people in Guantanamo. This is why it is an exception, a one-time-only instance, to put an end to that lingering problem.

[Rodriguez] In other words, it is an effort to dissolve this situation. They were really mired. They felt they were in their own trap. The U.S. Government found itself in a Catch-22 situation by having this group of people held in Guantanamo.

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[Recio] The way I see it, they wove the web and got themselves caught in it. This, however, is a problem that also greatly interests Cuba. The humanitarian outcome of such a problem is of great interest to Cuba because, and we have said it many times on this program, it is our opinion that those citizens are Cubans and human beings, and we are interested in their wellbeing.

[Rodriguez] They also have relatives here in Cuba. Renato, of the multiple questions I asked at the beginning, I would like you to answer who you think came out ahead in this migration accord—Cuba or the United States.

[Recio] I believe that both won and there are no losers. This is my personal opinion. I am aware that some people believe that Cuba won and others think the United States came out ahead. The way I see it, all of them are wrong. In Miami, for example, the far right Mafia is convinced that the United States is the loser in this accord, are undergoing a period of great frustration, and are asking aloud who U.S. officials think they are to make such a decision. Such is the boldness of that Miami Mafia. However, there are also people who believe that Cuba was using mass emigration as a pressure mechanism. Not long ago, U.S. newspapers carried the rumor that if the Helms Bill were to be implemented, Cuba would organize or release a mass exodus in response. That is totally false and completely foreign to the humanitarian spirit of the Cuban Revolution.

[Rodriguez] The Revolution has never used people as hostages.

[Recio] Nor will ever do so.

[Rodriguez] Will never do so because the very core of the Revolution is its humanitarian spirit.

[Recio] Precisely. Pursuant to those humanistic principles, this accord practically eliminates every possibility of people risking their lives at sea because the United States has pledged to return to Cuba everyone intercepted at sea. This has great humanitarian meaning because for many years, the United States, and particularly the Far Right groups in Miami, were encouraging people to risk their lives, and did everything possible to turn emigration into a political issue.

[Rodriguez] And Cuba was, as has been said, the one guarding the U.S. borders until the so-called rafters' crisis in the summer of 1994.

[Recio] Exactly. In an effort to protect the people, we engaged in a paradox, with Cuba guarding the U.S. borders. All this seems to indicate that the rafters' crisis per se has ended, and what remains are these remnants, which are provided for in the accord. This of course brings to light the many paradoxes found in U.S. politics. On one hand, you find this, which is a good sign of civilized congruence and constructive dialogue between two nations. On the other hand, there is the threat of the Helms Bill which, as everyone knows, has very hostile designs on Cuba. This accord, this normalization of migration relations is a symptom that eliminates the hostility, which has always been very acute in connection with emigration. This accord virtually eliminates this.

[Rodriguez] Might this normalization of migration relations not lead, down the road, to other types of understanding between the two governments?

[Recio] That is a thesis Alarcon has brought up on many occasions. I believe it becomes increasingly more logical. Alarcon has said that the accords of 20 August—in other words, the presidential resolutions of 20 August 1994, the suspension of travel, remittances, etc., etc.—are increasingly contradictory to this type of measure. Evidently, if they are now putting Cuba into the same category as other countries in terms of emigration, then the problem of travel and remittances fall within this.

[Rodriguez] I believe that what you just said explains the flip-flopping of U.S. policies. Recently, we were talking with Eddie Jimenez on this very program and alluded to the fact that U.S. policies are highly conditioned by electoral concerns. That is why I think this flip-flopping occurs—one civilized decision is made, while Congress simultaneously discusses other decisions, or last year's presidential decisions. This explains why U.S. policies flip-flop so much. What is your opinion?

[Recio] I said earlier that U.S. policies are very paradoxical, full of highly contradictory elements, depending on what sector of the administration is active. In this case, we find two different signals, completely opposed steps: The Helms-Burton bill with fascist leanings, genocidal, seeking to destroy the country and the Cuban nation. On the other hand, there is this measure. The U.S. electoral process is mainly concerned with the Florida vote. This might be an indication that there is a sector of the administration that does not see the Miami vote as it did before. It is not a vote that just tries to destroy the Cuban Revolution because there are many Cubans in the United States who believe that the best that could happen would be to reestablish normal ties with their relatives, and safe migration procedures. This is what might be happening. Electoral concerns may not be out of the picture, but undoubtedly, the repercussions have been disastrous to Mas Canosa's foundation and to other very reactionary sectors, as well as to Cuban-American Republican representatives. They feel highly disappointed. They wanted to continue making political points with the issue of Cuban emigration. This evidently has put an end to their gravy train.

[Rodriguez] I would like to pose this final question: Everything we have discussed, the paradoxes in U.S. policies, as you called them, might they not undermine this emigration accord, this normalization of emigration relations, to the point of seriously crippling it, as has happened before?

[Recio] The implementation of this normalization, like the Cuban Adjustment Act, which gave special privileges

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to Cuban immigrants, is a prerogative of the U.S. attorney general. In the case of Reno, one knows she is not going to contradict herself, but it might happen in the future. It is always a possibility.

[Rodriguez] Thank you.

Politburo Member Discusses Sugar, Helms-Burton Bill

FL0305111695 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 3 May 95

[From the "NTV" newscast]

[FBIS Translated Text] Jose Ramon Machado Ventura, a Politburo member, has toured Ciego de Avila Province agroindustrial complexes. Machado praised province workers on their efforts to meet sugar production goals and, at the same time, to develop more sugarcane areas:

[Begin Machado recording] We cannot be completely satisfied: Production levels remain low. However, we can be satisfied with our comrades' efforts and with the hope that all of this will finally take off, so to speak. If these are the conditions we must face this year, we can say that there will be more cane and that we will be in much better shape next year. [end recording]

Machado condemned the Helms-Burton bill during his visit:

[Begin Machado recording] The bill is...[pauses] Only an unbalanced individual could have come up with something like that. In any case, the workers must know what it would mean—and they do know—if a bill like that were to be approved. What that would mean...[pauses] They will not get what they want or what they have thought up. Just thinking about something like that makes the workers tense, tense in a productive and revolutionary manner. A response is required right now. [man shouts: Viva Fidel!; crowd shouts: Viva!; man shouts: Fatherland or death!; crowd shouts: We will win!] [end recording]

Sugar Yield Not Enough To Begin Recovery From Crisis

PA0305040495 Havana Radio Havana Cuba in Spanish 0000 GMT 3 May 95

[Report by Luis Alberto Chirinos from the "Evening Information Review" newscast]

[FBIS Translated Text] While the current sugar harvest is gradually coming to an end in stages, farm workers are preparing the fields to sow and cultivate new sugarcane plantations.

Recently, the provinces of Santiago de Cuba and Guantanamo have fulfilled their sugar goals. Nevertheless, some of the work centers in Santiago have continued processing the sugarcane that remains on the plantations. Meanwhile, Guantanamo has announced that it has managed to export its entire production.

In the capital, the Manuel Martinez Prieto agroindustrial complex, the only urban sugar factory on the island, surpassed its sugar goal by 102 percent. This center's production is for national consumption. During the milling of the sugarcane, which lasted only 74 days, this sugar factory surpassed the level of industrial efficiency achieved during the previous harvest. Its production increased, as did the quality of its raw sugar.

The center's director Rene Valdes expressed satisfaction over the workers' efforts, and he announced the beginning of extra fine sugar production for the consumption of the capital's population.

However, the process does not end here. The farm workers are already preparing the fields and sowing sugarcane for the next harvest. Expectations are higher, and the early signs of the industry's recovery are expected, starting with increased dedication to cultivation. The harvest that is ending will not provide the sugar the Cuban economy needs to begin to recover from the crisis it is experiencing.

Over the past few years, many things have seriously affected the production of sugar, which dropped from a stable average of 7 million tonnes of sugar to 4 million tonnes in 1994. The Cuban sugar industry's recovery will decisively influence the country's economic recovery. Thus, the sector's workers are examining the causes of the low yield and they are seeking solutions to change the course of events in this important sector.

One of the difficulties encountered over the past few years for the cultivation of sugarcane was the poor quality of the seed. Today the Sugar Industry Ministry is carrying out a program whereby it will produce 10 million seeds including five varieties. Many of these vitroplants are beginning to arrive at the seed banks established throughout the country.

Camaguey is in charge of producing 40 percent of all the vitroplants that will be produced throughout the country: approximately 300,000 of them. Cienfuegos Province in central Cuba has begun sowing 847,000 sugarcane seeds from the five leading commercial varieties. According to the plan, this process will last until November.

An unidentified speaker discusses the national sugar production plan.

[Begin unidentified speaker recording] I have no doubt that the national plan will [words indistinct] because the conditions are being created by the (?Sugar Ministry) and the National Seed Company to guarantee the conditions of the raw materials that are used to obtain [words indistinct]. [end recording]

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Participating in this program are various seed research and production centers throughout the island. The production of a quality seed is the basic premise of the sugarcane production process. We will continue discussing the harvest at another time.

'Straight Talk' Discusses Decentralization

FL0205213195 Havana Radio Rebelde Network in Spanish 1600 GMT 25 Apr 95

["Straight Talk" program with host Osvaldo Rodriguez and guest Luis Sexto]

[FBIS Translated Text] [Rodriguez] Luis, I think we should open with an anecdote recently carried by the press. It refers to a place in Cuba where certain policies were not carried out. Furthermore, decisions were made that were totally opposed to the policies being implemented in the rest of Cuba. There was a tremendous difference between the people of that area and those in the rest of Cuba. I think this happens very often, which is why decentralization is not always understood in the same way by everyone. What do you think?

[Sexto] As you know, Cuba is currently reorganizing its economy. New elements are being introduced into our economic and government sectors—decentralization and autonomy. This is a gradual process, which will give political organizations—at a municipal level or in the economic sector, an enterprise—a certain level of decisionmaking, allowing them to confront or to adapt general strategies to their particular situation. Decentralization is needed by the government and by Cuba. It is necessary because a man in a municipality should not have to wait for someone else before making a decision. [Words indistinct] was one of Cuba's problems. The lower man had to wait for the higher man, and sometimes the higher man had to wait for someone even higher up. No one wanted to make decisions; they were afraid to make decisions because of the chain of command in the decisionmaking process.

There is a healthy, positive tendency in Cuba to decentralize certain decisions. As we have said before, decentralize the tactical issues while keeping the strategic issues centralized. Cuba makes strategic decisions in a centralized manner. Many times, these decisions are collective, but application of the decisions should be confined to the units and municipalities, and autonomy should be given to adapt them to their particular circumstances because there is nothing more illogical than applying a law uniformly, throughout an entire country. There are substantial differences between a municipality in Pinar del Rio and one in Holguin, and this is where autonomy enables these decisions to be adapted to local circumstances. This applies to neighboring municipalities as well. I think decentralization is necessary, and we support both decentralization and autonomy. I think individuals and collectives should have much more leeway to make decisions, which will, of course, always be in the general interest and the particular interests of the region or entity in question. This is the decentralization policy. I believe that is correct.

Autonomy to make decisions should occur following decentralization. However, what occurs with this autonomy? First let me cite a case I recently read about in the press, in which local decisions were in conflict with the national strategy. In practice, they contradicted the national strategy. This has nothing to do with autonomy or decentralization, but with anarchy, of course.

[Rodriguez] Today's issue is decentralization, autonomy, and of course, preventing anarchy.

[Sexto] We were saying that the objectives of decentralization and autonomy must be clearly defined: They are for the general good, the general interest. Any action carried out within this framework will be beneficial. It is what I meant when I was saying a moment ago that poorly applied measures, or measures that respond to a reactionary strategy, are harmful because they oppose our general interests. In view of Cuba's current strategy to encourage, extend, and develop self-employment, it would be foolish for people to try to slow its development. Many times local decisions—which are apparently autonomous and decentralized—are dictated by bad habits, by bureaucratic issues on one hand, and by individual ideologies on the other. There are those who feel that being self-employed is like working with the devil, because they do not understand that the country needs this activity today, that we no longer live in 1985 when it wasn't necessary and circumstances were different in Cuba. For some, self-employment smacks of capitalism, of bad things, and in certain cases these same individuals may use their authority to hinder its development. I know places where events like this have occurred, where they tried to stop development of self-employment.

[Rodriguez] This opinion of self-employment may come from the fact that raw materials used by the self-employed often come from the black market, or are stolen.

[Sexto] I don't want to get embroiled in a debate over self-employment with you because that's not the focus of the program. I'll tell you something: I am convinced that many strategic decisions made in this country presume certain dangers and risks. There are certain risks inherent in making and implementing these decisions. I believe self-employment is extremely necessary in our country right now, not only to fill the gap left by the lack of products, but to harness the rationalization currently underway in Cuba's work centers. It is necessary and the nation is aware of the risks, but it is important that no local decision to apply this strategy involves throwing out the baby with the bath water. Many times, as you know, that is what happens in this country. We must seek alternatives to prevent these situations and mistakes, and to counteract the influence of the risks.

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[Rodriguez] You therefore support the policy of prosecuting the thief, but not the individual who produces and sells items using stolen merchandise?

[Sexto] I am not going to say how things should be done. I am analyzing and thinking through phenomena occurring in our society. I will not say what should be done because I think many issues and aspects would have to be taken into consideration. I do believe that the easiest road is one that encourages self-employment and seeks alternatives to avoid the problems of the black market, thievery, and other illegal activities. I think everyone knows what has to be done, and everyone has the obligation to do so. When the country made the decision in a centralized manner, it made it to benefit and help the country, and those who apply it—from one end of the country to the other—must adhere to the main objective of this central decision handed down from the Revolutionary Palace, which is: to improve our country, to try to resolve the country's problems, not create new ones.

Of course this is a gradual process, Osvaldo. I insist on the necessity of implementing it gradually, so that individuals and collectives acquire more responsibility. Certainly, at one time it was very easy not to make decisions because someone else made them for me. But today I have to make decisions. It was very easy to pass my responsibilities on to someone else. Now with decentralization and autonomy, individuals must assume the responsibilities that their positions entail. Although decentralization and autonomy will facilitate development, it will not make life any easier for those who must make decisions because making decisions always implies risk, effort, and intelligence, and I think this complicates life for the decision maker. Additionally, autonomy implies not only making decisions, but finding the resources. In the past, if someone else made the decision, he had to find the resources for me to implement it. This is about the individual's capacity to be resourceful, to find creative and imaginative substitutes for resources unavailable from state sources. That is the crux of the matter: the individual's responsibility to try to solve problems that may originate in Havana, or in the province or another place, to tackle the problem that falls within each individual's area of responsibility. Yes, this clearly makes life more complicated. It makes everyone's job more difficult and will require more intelligence, rationality, and political will.

[Rodriguez] However, in the end, responsible decision-making will improve rationality and develop initiative.

[Sexto] Absolutely. We were saying that a centrally made decision will be applied according to the needs of the particular location. It is highly appropriate to centralize the strategic issues and decentralize the tactical issues, the application of the strategy. There may be differences in the practical application of a strategy, but they must never counteract the strategy. The modifications made in the tactical application of the strategy must agree with the main objective of the strategy to resolve problems, not aggravate them because, as we pointed out, sometimes in Cuba, bureaucratic mentalities create problems and end up inflaming rather than solving a problem. Decisions cannot be based on individual ideologies, either. I remember the reaction of a certain province a few years ago when the Politburo decided to distribute fallow land to farmers for cultivation. In that province, nothing was done, the land tagged for distribution lay dormant and full of weeds because the provincial leaders did not agree with the idea of distributing land to the people.

[Rodriguez] As a matter of fact, the provincial party banned the distribution.

[Sexto] They opposed the central strategy decided upon by the Politburo. They did not seek to solve the problem, but to keep it alive. They did not have enough food, and the land lay fallow.

[Rodriguez] Thank you very much.

Haiti

Rights Chief Critical of Aristide Support for Lavalas

PA0305231195 Port-au-Prince Signal FM Radio in French 1030 GMT 3 May 95

[From "The Waking Up Newscast"]

[FBIS Translated Text] The Haitian Center for Human Rights has denounced an official campaign that they say favors the Lavalas bloc. In an interview with Signal FM, the director of the Haitian Center of Human Rights has severely criticized President Aristide's attitude. He says that Aristide has always supported the Lavalas bloc to the detriment of the National Front for Change and Democracy, the front that allowed him to come to power during the 16 December 1990 elections. During a meeting with peasants at the National Palace on 30 April, President Aristide arranged to see the Haitian people around the table, which—Jean-Claude Nord thinks—represents an invitation by the head of the executive to Haitians to vote for the Lavalas bloc candidates during the upcoming elections in Haiti. Attorney Nord foresees bloodshed in Grand'Anse if he loses the upcoming elections.

[Begin Nord recording in Creole, in progress] ...what do I foresee? I foresee bloodshed. Do you understand? [Words indistinct] me in elections. Everybody in Jeremie wants me because they know I am a staunch man who remained true to form in the struggle because I am the one who used to release from prison all the little Lavalassians that the bourgeoisie used to call tramps, the little bourgeoisie the president is working for now and who used to call the little Lavalassians tramps. If I am involved in elections today, it's because those people are grateful toward me; they will always vote for me. So, you see what might happen in Jeremie if elections are held and Jean-Claude Nord is not elected. Do you see what

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might happen in other localities? Because I am a staunch militant who has remained true to form. I have remained honest in the city. [Switches to French] I also represent dignity in this country.

[Switches back to Creole] When a president who was a result of the rooster asks that people not vote for the rooster but vote instead for... [pauses] that they vote for the Lavalas Political Organization, he tips the scales, he tips the scales. Then, what about the people who love me? What about the people who want me? [end recording]

Let us recall that President Aristide called on the peasants to vote during the elections of next June and July. During a meeting at the National Palace on 30 April, members of the peasant organizations showed their willingness to vote for the Lavalas bloc candidates. President Aristide encouraged his guests to vote for candidates of their own choosing. Peasant organizations are preparing to vote around the table, the symbol of the Lavalas bloc candidates. President Aristide reaffirmed that he is around the table ready to listen to all proposals.

Bishops Conference Calls for Unity

PA0305231295 Port-au-Prince Radio Metropole in French 1045 GMT 3 May 95

[From "The Midday Newscast"]

[FBIS Translated Text] The Catholic Church has expressed itself on the national situation. The bishops of the CEH [Bishops Conference of Haiti] have assessed the situation, focusing in particular on the atmosphere of violence prevailing in the country. The Haitian bishops hope that security, truth, and honesty prevail in the coming elections. Clarence Renois summarizes this episcopal message.

[Renois] In this message, dated 28 April but made public on 2 May, the Haitian bishops analyze the country's situation and consider the various issues facing Haiti, beginning with the Catholic Church itself. The Bishops Conference is aware of its internal difficulties: lack of listening, lack of unity within the church, lack of collaboration, and lack of understanding. In civilian society as a whole, the bishops note that the quality of people's lives is overwhelmingly degraded. We are walking down a road filled with violence, injustice, suffering, and death, write the bishops.

In order to face the current situation, the Haitian priests invite Christians to believe in the mystery of Christ and in the power of His resurrection.

Speaking on behalf of the population, the Bishops Conference writes, and I quote: It is not wrong to assert that no one in Haiti wants division. What people want is unity. They do not want violence. They want peace. They do not want hate. They want love, unquote.

The bishops also call for a better future in Haiti. The entire Haitian people aspire to building together a community where people care for one another, where the needs and expectations of others are taken into account.

The hierarchy of the Haitian Catholic Church also spoke about the upcoming elections by mentioning the three criteria indispensable in choosing a candidate. The Catholic Church does not endorse a candidate but points out the criteria for the choice of a good candidate: honesty, competence, and sensitivity to the needs of the people. Regarding this last point, the Bishops Conference stressed the urgency of putting in motion the optimal conditions for security, truth, freedom, and independence in order to make the coming elections credible. In closing, the leaders of the Catholic Church called on Haitians to live together: If we are determined to live in peace and brotherhood, things at home could really change.

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Zedillo: Published Plan To Form Basis for Discussion

PA0305223195 Mexico City XEW Television Network in Spanish 0430 GMT 3 May 95

[From the "24 Hours" newscast]

[FBIS Translated Text] President Ernesto Zedillo met today in Los Pinos Presidential Residence with two plural commissions of deputies and senators. They briefed him on the conclusion of the recent regular period of sessions and the installation of the Congressional Committee, which will function during the legislative recess.

President Zedillo said this month's publication of the 1995-2000 National Development Plan [PND] will be a first step toward a broad national debate. The president told the lawmakers:

[Begin Zedillo recording] Following the PND's publication, the federal executive will not only be at the disposal of the legislative to explain the points contained in the plan, but also at your disposal to work in all those matters, which will be many, and that must no doubt be the object of legislative action. [end recording]

The president noted the work done by deputies and senators during the recently concluded regular period of sessions. He made special reference to the Law for a Dialogue, Reconciliation, and Honorable Peace in Chiapas. He noted the law is without precedent in the history of Mexico on account of the way it was built on consensus, studied, debated, and approved.

Also attending the event were Standing Committee Chairman Senator Fernando Ortiz Arana and Humberto Roque Villanueva, chairman of the Grand Commission of the Chamber of Deputies.

Unions Issue Statement on Economy 1 May

PA2904163395 Mexico City LA JORNADA in Spanish 27 Apr 95 p 20

[FBIS Translated Text] Statement to the Nation
1886
1 May 1995

For Mexico: Democracy and Wages, Employment and Social Justice, Peace With Dignity

The final hour has arrived in our nation. It is time for organization and action. The administration and its allies, national and international capital, are now more than ever a burden for the Mexican people. The time has come to get them off our backs. On 1 May, workers from all sectors, peasants, Indians, professionals, drifters, merchants, retirees, the unemployed, students, tenant farmers, and entire families, will shout: Enough! No more lies, corruption, antidemocracy, unemployment, or misery.

The emergency situation demands that all workers - men and women in the cities and fields, our organizations, all people—take an active role in defining the nation's course and the historic enterprise of the nation. To make progress in this definition, it is urgent that we fight mainly for the right to work as a means to defend the right to live. We must fight for wages, democracy, and social justice. The administration's shock plan and the Clinton-IMF financial packages will not help solve the heart of the Mexican economic crisis because they are contrary to the needs and rights of the working people. We express our total rejection of the economic policy which, within the framework of the so-called "neoliberal model," the governing group (De la Madrid, Salinas, Zedillo) has imposed; payment of the foreign debt, which is incompatible with the economic growth of the nation; and the North American Free Trade Agreement, which imposes severe restrictions of our nation's growth. We need options which emanate from the working class and respond to its interests and those of the nation.

In the last 12 years, real wages have decreased to such a degree that each peso of the minimum wage is worth 23 centavos today compared to the 1940 peso. Official unemployment and underemployment have increased (50 percent of the economically active population does not have a stable job), and economic and social inequalities have become worse The backward conditions of health, nutrition, housing, education, transportation, and livestock and agricultural production have become critical.

It is not necessary to go deeper into this matter; when someone loses, someone wins. In Mexico, the workers and the people in general have lost; foreign capital and the 24 multimillionaires in the country have won.

In this context, it is not surprising that a revolt has erupted in Chiapas. Chiapas is everywhere in Mexico. The union movement, the working class, and the people should stand behind Chiapas. Peace with dignity is the legitimate aspiration of the downtrodden. We demand a positive and profound reply to the just demands of the EZLN [Zapatist National Liberation Army].

One example of the administration's low intensity war is the illegal and authoritarian attack on SUTAUR-100 [United Trade Union of Urban Transportation Workers Route 100—Sindicato Unico de Trabajadores de Autotransportes Urbanos Ruta 100] because it was an obstacle to the privatization of public transportation. To destroy SUTAUR-100, the administration negated law and order by arbitrarily incarcerating it leaders and its legal adviser. It is not right for the workers to pay for the inefficiency and corruption of public workers! We demand respect for the law in this and all labor disputes! We reject privatization of public transportation.

We need to create support mechanisms to influence the reorganization of production plants to reconstruct the local market, generate more jobs, and increase workers' purchasing power. Today the wages should be adjusted to limits specified by the Constitution, therefore, we demand a 100-percent salary increase not only as an act of elementary justice but as a stimulus required for national growth.

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Faced with the position taken by the Labor Congress, which "decided" not to hold the 1 May parade because it recognized the fact that workers will not march because it would be impossible for them to thank the president of the republic for anything, as is customary, we call for a day of unified, democratic, and militant struggle.

It is important to strengthen the unity and solidarity of the working class. To advance along this path, we must convoke a national assembly of workers, calling on all labor organizations to foster at the grass roots the establishment of committees in each factory, shop, and work center to promote this organization and build a labor movement capable of eliminating corporate control mechanisms and responding to the requirements of the struggle by workers and the people.

As a first step, we assume responsibility for actively recalling the heroic actions of the Chicago, Cananea, and Rio Blanco martyrs—symbols of the international struggle for worker freedom. But we will pay them the greatest homage with the struggle itself.

Therefore, we have decided to organize a national strike movement to make our demands. We salute the 24-hour strike called by STUNAM [Trade Union of the National Autonomous University of Mexico] in the National University and the strike preparations of the country's university unions scheduled in May. We support the strikes and labor movements of workers and peasants in Bolivia, Argentina, and Venezuela and the vindications demanded by the working class on the continent. NO TO THE IMPERIALIST BLOCKADE AGAINST THE CUBAN PEOPLE!

We workers have proposals and alternatives for reorienting economic, salary, and labor policies; on union, social, and political democracy; and on the rights to unionize, collective bargaining, and striking. We summon the federal government to discuss these issues with us to give an immediate reply to the demands of the working class, which cannot be postponed.

To discuss these issue in public, on 1 May we will be in all public plazas throughout the country. In the Federal District, we will assemble at the Angel of Independence monument at 1000 hours to make the Constitutional Plaza ours. *Support SUTAUR-100, freedom for its leaders and all political prisoners!*

Emergency salary increase and national strike!

Stop privatizations. No to the sale of PEMEX [Mexican Petroleum], electricity, public transportation, social security, and the defense of national sovereignty!

In defense of the nation's patrimony!

Stop the repression against the CROC-DEMOCRATICA [Democratic Revolutionary Confederation of Workers and Peasants] in Quintana Roo!

Solidarity with higher education union strikes!

Rejection of the VAT [value-added tax] increase!

Housing, health, education, and nourishment for the entire population!

Justice and land for farm workers!

The struggle of the people of Chiapas and the EZLN is ours!

Let us organize the national assembly of workers!

Let No One Remain Behind: To Dare To Fight Is To Decide To Win!

[Signed] SITUAM, Independent Union of Workers of the National Autonomous University of Mexico; STUNAM; SUTIN, United Trade Union of Workers of the Nuclear Industry [Sindicato Unico de Trabajadores de la Industria Nuclear]; Section 9 of the SNTE-CNTE [National Trade Union of Education Workers-Coordinating Board of Education Workers]; Section 10 of the SNTE-CNT,; Section 11 of the SNTE-CNTE; CIOAC, Independent Federation of Agricultural Workers and Peasants; FAT, Authentic Labor Front; D-II-1A-1 Section 10 of the SNTE-CNTE; D-III-24 Section 11 of the SNTE; D-III-22 Section 111 of the SNTE; Union Federation of Teachers and Administrators of the UPN [Delegaciones Sindicales de Academicos y Administrativos de la UPN]; SUTCIESAS, United Union of CIESAS Workers [Sindicato Unico de Trabajadores del CIESAS]; CROC-DEMOCRATICA; Democratic Revolutionary Confederation of Workers and Peasants; United Trade Union of Workers of the CIEA [Sindicato Unico de Trabajadores del CIEA]; National Independent Union of Mexican Communications Promoters [Sindicato Independiente Nacional de Impulsora Mexicana de Telecommunicaciones]; SUTUAS, United Trade Union of Workers of the Autonomous University of Sinaloa [Sindicato Unico de Trabajadores de la Universidad Autonoma de Sinaloa]; Cooperative of Pascual Soft Drink Workers [Cooperative de Trabajadores de Refresco Pascual]; National Revolutionary Union of EUZKADI Workers [Sindicato Nacional Revolucionario de Trabajadores de EUZKADI]; STUIA, Union of Workers of the Ibero-American University [Sindicato de Trabajadores de la Universidad Iberoamericana]; SUEUM, United Trade Union of Workers of the University of Michoacan [Sindicato Unico de Trabajadores de la Universidad de Michoacan]; SETSUV, State Union of Workers in the Service of the University of Veracruz [Sindicato Estatal de Trabajadores al Servicio de la Universidad Veracruzana]; STEUAQ, Union of Workers and Employees of the Autonomous University of Queretaro [Sindicato de Trabajadores y Empleados de la Universidad Autonoma de Queretaro]; STAUAG, Union of Academic Workers of the Autonomous University of Guerrero [Sindicato de Trabajadores de la Universidad Autonoma de Guerrero]; STUAZ, Union of Workers of the Autonomous University of Zacatecas [Sindicato de Trabajadores de la Universidad Autonoma de Zacatecas]; SINTCB, Independent National Union of

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Workers of the College of Bachelors [Sindicato Independiente de Trabajadores del Colegio de Bachilleres];

STAIGUAG, Union of Administrative Workers and the Intendance in the Service of the Autonomous University of Guerrero [Sindicato de Trabajadores Administrativos y de la Intendencia de la Universidad Autonoma de Guerrero]; STAUAEM, Union of Administrative Workers of the Autonomous University of Morelos State [Sindicato de Trabajadores Administrativos de la Universidad Autonoma del Estado de Morelos]; STEUABJO, Union of Workers and Employees of the Autonomous Benito Juarez University in Oaxaca [Sindicato de Trabajadores y Empleados de la Universidad Autonoma Benito Juarez de Oaxaca]; AUTAMUADY, United Association of Administrative and Manual Workers of the Autonomous University of Yucatan [Asociacion Unica de Trabajadores Administrativos y Manuales de la Universidad Autonoma de Yucatan]; STAIUJAT, Union of Administrative Workers and the Indendence of the Autonomous Juarez University of Tabasco [Sindicato de Trabajadores Administrativos y de Intendencia de la Universidead Juarez Autonoma de Tabasco]; SPUM, Union of Professors of the University of Michoacan [Sindicato de Profesores de la Universidad de Michoacan]; SUNTUAP, United Trade Union of Workers of the Autonomous University of Puebla [Sindicato Unitario de Trabajadores de la Universidad Autonoma de Puebla]; STEUJED, Union of Workers and Employees of Juarez University in the State of Durango [Sindicato de Trabajadores y Empleados de la Universidad Juarez del Estado de Durango]; APAUdeG, Association of the Academic Personnel of the University of Guadalajara [Asociacion del Personal Academico de la Universidad de Guadalajara]; STAUACH, Union of Academic Workers of the Autonomous University of Chapingo [Sindicato de Trabajadores Academicos de la Universidad Autonoma de Chapingo]; STUACH, Union of Workers of the University of Chapingo [Sindicato de Trabajadores de la Universidad de Chapingo]; SUTCOLMEX, United Trade Union of Workers of Mexico City College [Sindicato Unico de Trabajadores del Colegio de Mexico]; Section 65 SNTSAHR, National Union of Workers of the Agriculture and Hydraulic Resources Secretariat; SNTIHA, National Union of Worker in the Iron and Steel Industry [Sindicato Nacional de Trabajadores de la Industria de Hierro y el Acero]; SNTIMHAC, National Union of Workers in the Metal, Iron, Steel, and Related Areas Industries [Sindicato Nacional de Trabajadores de la Industria de Metal, Hierro, Aceros, y Conexos]; National Union of the Belisario Dominguez Textile Industry [Sindicato Nacional de la Industria Textil Belisario Dominguez]; FESAG, State Federation of Authentic Unions of Guanajuato [Federation Estatal de Sindicatos Autenticos de Guanajuato; VAMEX-FAT [expansion unknown]; SUTAUR-100, United Trade Union of Urban Transportation Workers Route 100; MPI, Independent Proletarian Movement, Barrios Assembly; GUILLOTINA; National Unifying Movement of the Retirees and Pensioners [Movimiento Unificador de Jubilados y Pensionados]; CNT, National Worker's Council [Consejo Nacional de Trabajadores]; CUT, United Federation of Workers [Central Unica de Trabajadores]; COCIP, Worker, Peasant, Indian, and People's Coordinator [Coordinadora Obrero, Campesina, Indigena, y Popular]; AGT, General Assembly of Workers [Asamblea General de Trabajadores]; CNOC, National Council of Mexican Workers and Peasants [Consejo Nacional Obrero y Campesino de Mexico]; Permanent Forum for Action and Resistance Against the Crisis [Foro Permanente de Accion y Resistencia Contra la Crisis]; SEMPO, Education Program for Labor and Unions [Programa de Educacion Laboral y Sindical]; CILAS, Center for Labor Investigations and Union Counselling [Centro de Investigacion Laboral y Asesoria Sindical]; Ricardo Flores Magon Brigade; ANAD, National Association of Democratic Lawyers [Asociacion Nacional de Abogados Democraticos]; RMALC, Mexican Network for Action Against Free Trade [Red Mexicana de Accion Contra el Libre Comercio]; IMSS [Mexican Social Security Institute] workers of Sections X, XXXII, XXXIII, XXXIV, and the central module of the SNTSS; National Coordinator of Communication Workers: SITRAJOR [expansion unknown]; SUTNOTIMEX [expansion unknown]; RADIO EDUCACION; TV UNAM and UPD [expansion unknown].

Maria de los Angeles Coluaga (INAH) [National Institute of Anthropology and History] and Gabriel Salvador Perez (SITRAJOR)

Business Leaders Predict Difficult Year for Manufacturers

PA3004214295 Mexico City LA JORNADA in Spanish 28 Apr 94 p 49

[Report by Raul Llanos, Judith Calderon, and Gustavo Castillo]

[FBIS Translated Text] The outlook for Mexican industry is extremely difficult this year as factories will be unable to pull out of the recession and will risk sure closure. Carlos Gutierrez, vice president of the National Association of Manufacturers (Canacintra), warned that 800,000 jobs will be lost in coming months, sales will fall, and factories will slow production to less than 50 percent of capacity.

Salvador Lopez Negrete, president of the National Chamber of Commerce (Canaco), yesterday said that although stability is returning to the financial markets and the major economic indicators, that does not mean "we will be in a position to recover stability and growth. There is still much work to be done in all sectors."

Meanwhile, Victor Manuel Diaz Romero, a leader of the Confederation of Industrial Associations (Concamin),

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warned that once the peso regains its proper exchange rate, it may still lack firm ground due to the shortage of dollars.

Carlos Gutierrez of Canacintra launched the EU Technical Aid Program. He said that the commercial opening, lagging industrial technology, and the current economic crisis have driven the auto parts, machined metal, capital goods, and food industries to the verge of collapse.

These same factors have resulted in thousands of businesses all over the country going bankrupt, a dramatic fall in sales, and thousands of worker being laid off. As of now, he added, most industries have reported 30 to 60 percent drops in sales. This will surely lead to 800,000 more people joining the ranks of the unemployed in 1995.

—Will industry be able to overcome this recession this year?

—We do not believe it will. According to reports we have received from authorities, we will see better conditions in the second half of 1995, but the industrial sector is not expecting recovery this year. We are expecting "extreme" unemployment and sales reductions.

Victor Manuel Diaz Romero of Concamin said people must continue to support the measures taken by the current administration. Although painful, they will allow Mexico to get through this crisis and lay the foundations for development.

He said that the government's proposal to allow the peso to float freely next to the dollar "entails no risk for the country's economy, so I believe it would be a sensible thing to do."

He also argued that the Mexican Government should back exporting companies to guarantee the future of industries and factories, but without falling into paternalism.

Support for exporting industries, he added, must come before the actual exporting stage, as companies "need dollars to remain competitive. Otherwise, many markets will be lost."

To move forward, he noted, we will need to implement alternate approaches tailored to the capabilities of each company, and management will have to be very creative. The proposals include increased foreign relations for Mexico's industry.

He pointed out, however, that there is no reason for people to lose confidence in Mexico. He explained, saying that "in this country we must seek investment, reactivate the economy, and help the companies that have cut their production lines to reestablish the flow and resume production once again."

Lopez Negrete of Canaco said it is too early to talk about improved economic conditions, because "we are just now (barely) overcoming the emergency."

Luis German Carcoba, president of the Business Coordinating Council (CCE), said yesterday that imports "are almost at a standstill." He added that "no imports obviously means the economy is also at a standstill."

He said that there has been an improvement in the financial area, and that foreign trade may also be improving, which can only help, as it has reported a quarterly increase of 32 percent.

Industrialists Recommend Manufacturing Strategies

PA2904171995 Mexico City EL FINANCIERO in Spanish 27 Apr 95 p 25

[Report By Isabel Becerril]

[FBIS Translated Text] Victor Manuel Terrones Lopez, president of the National Association of Manufacturers (Canacintra), has stated that the complex economic problems that have "emerged" will be permanently resolved if we implement manufacturing policies that encourage the modernization and growth of the productive apparatus. He added that it is time to strengthen competitiveness, intensify business reorganizations, and promote the microeconomic revolution.

The nine recommendations below were the fundamental issues that stood out in a survey conducted among Mexican industrialists on the characteristics, tools, and attributes that must be part of new manufacturing strategies.

With these recommendations, the Canacintra representative explained, we are not trying to return to past practices to build tomorrow's manufacturing plant. These proposals are not out of context, because international experience supports their implementation even in those economies that have a high level of manufacturing development.

The consensus effort made by the Pact Evaluation and Follow-Up Commission has been useful, but it could be improved. That is why industrialists are proposing that we first analyze programs that have already been implemented to evaluate the consistency of the agreed upon tools and the effectiveness of the tasks already undertaken.

Taking Advantage of the Government's Demand Is Imperative

Second, Terrones continued, industrialists are proposing that we include the economic components lacking specific sectorial tools, and that we guarantee that tasks already undertaken will continue.

Regarding purchases by public institutions, Canacintra associates are demanding the state create, keep, or reactivate the commissions in charge of procuring supplies at the many government entities to take advantage of existing demand.

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They want to standardize, regulate, and group the equipment, materials, and supplies that each entity or institution requires into product lines. They are also suggesting that the international bidding processes conducted by public institutions to procure their supplies be standardized in terms of purchases, prices, and payments applicable to Mexican and foreign suppliers.

According to the Canacintra president, industrialists require, within manufacturing policies, an effective and timely financing strategy, because the cost of money and the difficulties in obtaining it still constitute barriers for our companies.

In the opinion of Canacintra members, they must have competitive interest rates similar to the ones charged our main mercantile partners. That is why "we are immediately proposing" that the reference rates for development bank credits be that of the lowest instrument on the market.

It is very important that development banks carry out direct credit operations to support the economic activities located in areas and entities that have lower growth levels, the industrialist assessed.

Points for the Microeconomic Revolution

—Industrial policies must be the result of systematic and permanent consultations among authorities and industrialists.
—They must be designed with criteria and timeframes exceeding six-year term barriers to ensure their continuity.
—They must promote the surefootedness of the new business culture.
—They must intensely promote private investment, which is the main engine of national economic growth.
—They must promote research, development, and technological transfers or adaptations, because competitiveness depends upon it.
—They must promote improvements in production processes to reduce their ecological impacts.
—They must create an industry that will be divided into sectors, connected to the rest of the economic activities, and more linked to foreign trade.
—They must pay special attention to micro-, small, and mid-scale businesses.
—They must promote more balanced regional development.

Chemical Industry Association Head on Opening Gas Industry

PA3004005795 Mexico City REFORMA in Spanish 28 Apr 95 p A-13

[Report by Gabriela Amador]

[FBIS Translated Text] Arturo Garcia, president of the National Chemical Industry Association (ANIQ), has said opening the natural gas industry will increase private interest to acquire (secondary) petrochemical plants, because this opening will ensure the supply of this hydrocarbon.

Interviewed by REFORMA, the businessman has said one of the weak points on the sale of Pemex-Petrochemical was the uncertainty surrounding the supply of natural gas, because the parastate enterprise did not have the resources to develop an extensive pipeline system and storage terminals for either exploring or exploiting the hydrocarbon.

"This measure is in response to ideas brought up a long time ago stating that dependence on imports endangers the operation not only of the chemical industry but of all Mexican industries. Natural gas is an important fuel and will be even more important when new environmental rules come into effect," he has said.

Now that Pemex has freed itself from having to invest in the transfer, storage, and distribution of natural gas, which has required large amounts of capital, it will be able to allot more resources to producing the hydrocarbon not only so as to be self-sufficient but to even export, Garcia has said.

He has said all that is needed now is to regulate private sector participation in this industry, which will be entrusted to the Energy Secretariat and the Energy Regulatory Commission, an activity in which ANIQ will participate.

He has said the transfer, storage, and distribution of natural gas in developed countries, such as in Canada and the United States, is a separate business that is complex and independent of exploitation and exploration.

"For this reason—and the law is very clear on this point—there are no loopholes for private enterprise to generate basic petrochemicals, not even illegally, because this is an exclusive activity the nation has entrusted to Pemex," he has said.

He added that reforms to Article 27 of the Constitution approved yesterday by the 451th legislature demonstrate the state has begun outlining a long-term energy policy, something which ANIQ has demanded for many years.

The industrial representative has said entrepreneurs who invest in pipelines and storage facilities will be able to recover their investment in an adequate period of time, because gas demands will increase in the short term even though demands will drop over the next few months due to the country's economic situation.

He has said natural gas reserves in Texas and Louisiana are dropping off; therefore, natural gas prices will rise in the future. Pemex, he has said, will be forced, therefore, to increase its production, because domestic demand will exert pressure, in addition to supplying the eastern United States.

He has said that the recently modified Regulatory Law does not restrict the existence of monopolies but that it is not the monopolies that affect the market; instead, it is the monopolistic practices that do not allow markets to develop naturally.

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Panama

Labor Minister, President Explain Labor Reforms

PA0305222695 Panama City LA PRENSA in Spanish 2 May 95 p 1

[Report by Vilma E. Figueroa B.]

[FBIS Translated Text] Labor Minister Mitchell Doens has disclosed that the Labor Code reforms, including everything referent to the unemployment fund and worker mobility, have already received the general approval of the Cabinet Council.

Doens, President Ernesto Perez Balladares, and other government officials yesterday attended the installation of the new board of directors of the Union of Chiriqui Land Company Workers. The event was characterized by speakers being interrupted by hundreds of workers who shouted slogans against the reforms.

After reiterating that as a government they are willing to talk with representatives of workers who oppose the reforms, Doens announced that the discussion of the document will now take place in the Legislative Assembly.

"The discussion will focus now on the first and second debates in the Assembly, and there will be opportunities to improve the document. If anything proves harmful to the workers' conquests, that will be the appropriate moment to make the necessary changes," he underscored.

Doens explained that in the cabinet there is clear and concise approval of the entire document presented by the Labor Foundation.

He pointed out that the cabinet is now working on the technical aspects of presenting the labor reforms to the Legislative Assembly within the next few days for their discussion, analysis, approval or rejection.

Recently, labor and business representatives gathered at the Labor Foundation to discuss the Labor Code reforms. They prepared a proposal that was presented to the executive. Due to time constraints, neither the unemployment fund nor worker mobility were discussed at that meeting.

Minister Doens said that the Cabinet Council included in the "package" of reforms the unemployment fund, which is viewed as an important instrument for labor relations and which will create a more positive atmosphere, eliminating some issues that hinder worker-employer relations.

He added that with the unemployment fund the three-month trial period for workers is being eliminated, as is the concept that workers acquire permanent status only after two years and the regulation granting workers seniority compensation only after 10 years.

"Throughout the history of labor relations, those three issues have created conflicts and uncertainty in labor relationships, and therefore each of them is being eliminated," he said.

Doens said that under the new regulation, when there is a labor conflict involving a worker who is fired without justification, there will be a fund to guarantee his indemnification, which will reduce the cost of severance pay for employers.

Trade unionism, collective agreements, minimum wage, vacation, seniority, and all labor rights established in labor relations are maintained for the benefit of workers, Doens stressed.

Meanwhile, President Ernesto Perez Balladares, who was booed by the workers during his speech, said that the reforms to the Labor Code, changes to the Law for Industries, and the Law on Privatization will help create new jobs.

Speaking nine months after his government's inauguration, Perez Balladares promised to respect workers' rights. He reaffirmed that if any of the proposed reforms proves detrimental to workers in practice, he will ask the Legislative Assembly to eliminate it.

Perez Balladares said his government is trying to create a new climate of understanding among workers and employers because both sectors are necessary to produce national wealth. He reiterated, however, that in order to achieve those objectives, fiscal policies must be revised to eliminate benefits and exemptions that certain sectors have enjoyed for a long time.

The ceremony to install the new board of directors headed by Mario Smith began two hours late amid slogans shouted by hundreds of banana plantation workers who repeatedly protested the reforms.

In his speech, Smith said that he was still analyzing the reforms and therefore he could not express his opinion yet. He did say, however, that he will accept the reforms if they will benefit workers, a statement which provoked his fellow workers to boo him too.

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Argentina

Christopher Asked To Provide Evidence on Bombing Case

PY0305234895 Buenos Aires TELAM in Spanish 1533 GMT 3 May 95

[FBIS Translated Text] Buenos Aires, 3 May (TELAM)—Court sources today reported that Supreme Court Justice Ricardo Levene, Jr. has written an official letter to Warren Christopher, the U.S. secretary of state, requesting that evidence linked to the Israeli Embassy bombing be supplied.

Levene asked for this information, through the Argentine Foreign Ministry, in his capacity as trial judge in the Israeli Embassy bombing case.

Christopher had allegedly claimed "to have evidence of Iran's alleged involvement in the terrorist attacks against the Israeli Embassy and the AMIA [Argentine-Israeli Mutual Association] in Buenos Aires."

The sources added that Levene, shortly after resuming his usual activities yesterday, gave instructions with regard to the issuing of the official letter to the U.S. secretary of state. Levene had been ill.

Pakistani Sailors Detained; Ties to AMIA Case Viewed

PY0405040695 Buenos Aires TELAM in Spanish 2149 GMT 3 May 95

[FBIS Translated Text] Rosario, 3 May (TELAM)—A court source today reported that the three Pakistani sailors who were detained yesterday in Rosario while taking photographs of the Argentine Zionist Union building will remain in detention and incommunicado for another 48 hours to investigate their alleged links to the AMIA [Argentine-Israeli Mutual Association] bombing.

The foreigners were placed at the disposal of Federal Judge Juan Jose Galeano by Rosario Federal Judge Omar Digeronimo, who declared himself unqualified to hear the case after their arrest and ordered them taken to Buenos Aires.

From Buenos Aires, however, Galeano ordered the Rosario Federal Police precinct to carry out some proceedings. Therefore, the three sailors will remain in detention at the Rosario security jail.

The three Pakistani sailors are part of the complement of the Cypriot ship "Mastrogiorgis B," moored at the port of Rosario. Court sources identified them as Ashique Rehman, Akhat Alim, and Azfal Khan. The sailors range from 20 to 30 years of age.

The sailors were arrested shortly after 1500 yesterday while they were taking photographs outside the Argentine Zionist Union—former Hebraic—building in Rosario, at 2555 Salta Street, in the old Pichincha District.

Under strong security measures, the detainees were taken by police patrol cars to the police headquarters building.

Judge Digeronimo immediately ordered the Cypriot merchant ship raided, requested that the roll of film from the seized camera be examined by an expert, and interrogated the three detainees with the assistance of an interpreter.

The "Mastrogiorgis B" was carefully inspected by special forces from the Rosario coast guard, who found nothing linking the detained Pakistanis with any international terrorist organization.

The sources added, however, that other personal effects of the foreigners, like passports, personal notes, rolls of film, and cassettes, were seized.

Rosario police experts determined that the roll of film taken from the camera carried by one of the detainees did not have any photographs of the Jewish organization's building.

The roll of film allegedly had no photographs of the Argentine Zionist Union because the Pakistani installed the roll upside down, which would indicate their lack of experience in these activities, the sources confirmed.

Based on the items seized and the reports drawn up by the experts, the judge emphasized in his ruling that the detainees have not committed any criminal act.

Nevertheless, the judge ordered that the Pakistani sailors be held in detention and incommunicado for another 48 hours over "a possible link with elements seized in connection with the AMIA bombing."

Judge Digeronimo also authorized the departure of the ship "Mastrogiorgis B" from the port of Rosario. The ship will now sail to the city of Necochea, where it allegedly will load grain into its hold.

Menem on Ex-Montonero Leader's Self-Criticism, Elections

PY0305192895 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1251 GMT 3 May 95

[FBIS Translated Text] Buenos Aires, 3 May (NA)—On 3 May, President Carlos Menem considered that the self-criticism performed by former Montoneros [guerrilla group] top leader Mario Eduardo Firmenich was not an expression of "total repentance."

Menem nonetheless underscored that Firmenich's statement "contained a sustained self-criticism," and added that "all those who resorted to violence to try to impose their conditions, during a time in Argentine history that was really tragic, ought to follow suit."

The president voiced his disagreement in particular with Firmenich's assertion that former President Pedro

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Eugenio Aramburu [1955-1958] was assassinated following "a decision by the people." To that effect he commented that "the whole thing is not very clear."

The head of state, speaking on Radio Libertad, reiterated his request that "all those who resorted to violence" in the seventies should imitate General Martin Balza, the Army chief of staff, and Firmenich.

Despite this, Menem denied having ordered the Armed Forces to perform a mea-culpa, although he made it clear that in the case of Gen. Balza, the latter requested prior authorization to issue a statement.

He said: "There is a hierarchical order in all this; the president is the commander in chief and the one who decides what the top echelons of the Armed Forces must do."

"Balza informed the defense minister that he was going to make a statement concerning that issue," and [Defense Minister Oscar] Camilion asked the head of state for authorization, which was granted to him.

With regard to the impact this subject will have on the election campaign, Menem commented that the campaigning "continues with total normalcy."

He said that the debate over the dirty war "does not especially hamper the political parties' activities" because "seeking the truth about a very obscure page of Argentine history—during which I was in jail—does no one any harm."

Menem said that his wish is "to put things in black and white, to explain clearly how things happened so as to once and for all turn over a new leaf."

The head of state pointed out that he had once said that "one of my goals was to pacify our country, and we have attained this." He underlined that "this acknowledgement of past mistakes and self-criticism contributes to bringing about reconciliation between sectors that at that time were confronting each other."

Menem subsequently ruled out that the Peronist movement had used the Montoneros for political purposes, recalling that "at one time [former President] (Juan) Peron [1973-1974] had thrown them out of the Plaza de Mayo, labeling them puny little stupid creatures."

As for the outcome of the upcoming elections, the president asserted that he intends to win in the first round and that "it had never crossed his mind" that he would have to pit himself against his rivals in a runoff election.

He said that speculations over a possible runoff "are quite unsubstantiated," and added that "I draw my information from what people tell me rather than from public opinion polls, which say I will obtain 45, 46, or as much as 47 percent of the vote."

Menem attributed the rally on the Stock Exchange on 2 May to the announcement of his five-year plan on 1 May. He warned, however, that "there will be many ups and downs on the Stock Exchange in the coming days due to the rumors that are circulating at present."

The executive head of state acknowledged that he is "more willing" to become a president now than back in 1989 "because with this new term of office I will complete a fundamental stage for Argentina's future."

He made it clear, however, that he has no ambitions after 1999, and that it will not be difficult for him to leave the presidency.

In conclusion, he said: "When one fulfills a mission, when one is ready to remain engaged and struggle in politics, but also keeping one's distance, because time goes by, and perhaps one needs a moment of respite, the best place is the village where I was born, next to my people and my things."

Navy Chief Acknowledges 'Mistaken Methods' During Dirty War

PY0405000995 Buenos Aires TELAM in Spanish 2226 GMT 3 May 95

[FBIS Translated Text] Bahia Blanca, 3 May (TELAM)—The Navy today expounded its self-criticism of the actions by the Armed Forces during the illegal repression with the frank acknowledgement by its commander, Admiral Enrique Molina Pico, of the errors that were committed during that stage of the country's history.

"I openly acknowledge that mistaken methods were used that resulted in unacceptable horrors, even within the framework of the cruelty of the war itself. This is why today we reject them and exclude them as a possibility of some future action," the Navy chief said.

Molina Pico stressed that everything was carried out within a framework "that was made even more serious because of our great historical error," which was "the destruction of the then reigning constitutional order," referring to the 24 March 1974 military coup.

He made these remarks in an address that he gave today from the aircraft carrier "25 de Mayo," berthed in the Puerto Belgrano Navy Base, during the "Navy's grand role call," which grouped all of its officers and noncommissioned officers.

The Navy chief maintained that "the interruption of constitutional order cannot be justified, not even because it was a cultural constant in the country's history, nor because of the exceptional circumstances that were experienced, which in turn made illegitimate the antisubversive actions of the Armed Forces."

He recalled that "laws had been approved, courts had been created, and the security and Armed Forces had

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been organized to place those implicated in the violence at the disposal of the courts" within the framework of the Constitution.

Moreover, Molina Pico acknowledged that "an enormous step backward was taken, which had enormous consequences that led to the freeing of those who had been sentenced and to the dismantling of the legal apparatus that was the umbrella in the fight against that scourge."

He also asked that the "war of lies" be done away with because within the framework of that war, the Armed Forces have been accused of having "exclusively" carried out "a plan of extermination of a majority of innocent people," while "we, the military, responded that we did nothing other than fight according to the laws of war."

"The time for rendering accounts before the law has now come to an end for the men that carried out their duty. Now the stage of rendering accounts with one's conscience continues," Molina Pico said.

"This is the history," he continued, "and we remain with the human pain of this tragedy, the pain of losing comrades in arms and friends whom I have known from the bosom of my family."

"So many lost lives; neither words nor events will be able to undo the horror that was experienced. We can only help to visualize the scars and contribute, with and in everything that is humanely possible, to overcoming the wounds," the Navy chief said.

Molina Pico also placed emphasis on justifying full respect for the Constitution that "is in force especially for us, the Armed Forces, because having the power that is given us by the weapons for the defense of the fatherland, we are subordinate to the government, which has the supreme power granted it by" the Constitution.

"This principle guides our actions, and it is the definitive commitment of the Navy for the future. I am sure that with it, we will serve the nation by respecting its people," he said.

Air Force Commander Regrets Dirty War 'Horrors'

PY0305203195 Buenos Aires Argentina Televisora Color Network in Spanish 1600 GMT 3 May 95

[FBIS Translated Text] The Air Force recalled its baptism of fire during the Malvinas war today. On the occasion, Brigadier Juan Paulik, Air Force chief of staff, said he was not going to justify what cannot be justified with respect to human right violations during the military dictatorship.

President Carlos Menem presided over the ceremony marking the 13th anniversary of the Air Force's baptism of fire. On the occasion, Brigadier Paulik spoke about the confrontation between Argentines during the decade of the 1970's:

[Begin Paulik recording] During the past few weeks we have been hearing an intense and painful debate to which, as Air Force chief of staff, I must now refer. With respect to this issue, I want to clearly express that the current Air Force leadership is absolutely conscious that grave errors of procedure, and horrors, were committed during the fight against terrorism. The latter are, without a doubt, the responsibility of all parties involved.

It is important to stress, however, that the Armed Forces role during that tragic period cannot be removed from the historical context and analyzed as if it had been the only participant in the events.

Those who lived during the 1970' surely remember the limitless violence that was unleashed by the terrorists, who were determined to take over power at all cost, and who followed the extremist ideologies that were shaking the world at that time. That was a complex scenario filled with confrontations. I do not seek to dilute the responsibility for what occurred then, nor hide or ignore events, no matter how aberrant they might be.

I only want to point out that the armed institutions were just one more factor in a scenario wherein violence and the misunderstanding between fellow countrymen was rapidly increasing.

It is not my intention to justify what cannot be justified, but it is also true that it is not fair to again pass judgment on only one of the participants, without linking it to the context in which that participant was immersed. [end recording]

Defense Minister Oscar Camilion, in turn, said that former Montonero leader Mario Firmenich's self-criticism was not up to expectations. With respect to Brigadier Juan Paulik's message, Camilion said:

[Begin Camilion recording] In all cases, the Armed Forces' branches have expressed the point of view of their respective institutions through their chief of staff. The significance of these events is that the pronouncements have institutional meaning. The Armed Forces are expressing the point of view of each branch, and this is what is worth stressing. [end recording]

Former Montonero Leader on Violence During Seventies

PY0305174495 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0250 GMT 3 May 95

[FBIS Translated Text] Buenos Aires, 2 May (NA)—Former Montonero [Peronist Montonero Movement] leader Eduardo Firmenich tonight assumed "all political responsibility" for the violent events staged by his organization during the 1970's, though he tried to remain at arm's length from the military by saying that his group

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"does not have to repent for having tortured, raped, made disappear, or beaten anyone."

Firmenich recognized that he and other Montonero leaders made "the gross mistake of going into hiding without a consensus from the majority" during the Isabel Peron administration, though he added that it had been "a decision made out of desperation."

Firmenich read a message during the "Tiempo Nuevo" television program praising the position of Army Chief General Martin Balza. Firmenich said that the military chief had assumed a responsibility that should, in fact, have been assumed by Jorge Rafael Videla, who was pardoned.

"We accept the handshake offered by General Martin Balza, a hand extended in the name of peace and reconciliation with the truth, with today's society, and with its former adversaries. We also offer a handshake," the Montonero leader said.

Firmenich said he represented the Montonero militants who died during clashes with the Armed Forces, and added that "the subversive organization's leadership as a group" decided on the operations where they lost their lives.

Firmenich stressed, however, that he could not assume "the responsibility for the acts of other leftist armed organizations during the (Hector) Campora and (Juan) Peron administrations," referring to the People's Revolutionary Army (ERP).

"We did not start the era of violence in Argentina. We suffered bombardments, executions without trial, political persecution," Firmenich said, justifying the kidnapping and killing of General Pedro Aramburu in order to carry out "the people's revenge."

Firmenich said that later we had to live under the military repression carried out against Montonero militants' relatives, friends, and acquaintances, and "we were no longer able to fight by fulfilling the Christian precept that we must love our enemies. That would have prevented us from inflicting damage against the kind of justice there was."

Firmenich denied having maintained "links with the enemy" or responsibility for acts attributed to Montoneros that were carried out by other guerrilla groups.

"It is not Christian to celebrate anyone's death, not even the death of your worst enemy," Firmenich said.

The Montonero leader criticized the activity of other guerrilla groups "opposed to the constitutional government that took over the military barracks and tried to a create a liberated zone in Tucuman."

Firmenich repeated that Montoneros "did not start the violence in Argentina. The group lived in the midst of a civil war that started in 1955 with the bombardment of civilians, executions, and military uprisings."

Firmenich stressed the right to resist oppression. "Peronists and our leader understood that we had that right. The JP [Peronist Youth] had the courage and daring to put this principle into practice at the price of sacrificing our young lives."

"The Montoneros were not alone; our entire generation was involved" in those events, "a struggle that was imposed as a moral duty of solidarity," Firmenich said.

Former Guerrilla Leaders Assume 'Dirty War' Responsibility

PY0305232495 Buenos Aires TELAM in Spanish 2029 GMT 2 May 95

[FBIS Translated Text] Buenos Aires, 2 May (TELAM)—Five former "Montoneros" guerrilla organization leaders today expressed their "approval" of a speech delivered by General Martin Balza, the Army chief of staff, on the "dirty war" [pitting the Montoneros against the Armed Forces] and assumed responsibility for these events.

The former Montoneros leaders pointed out: "Those of us who were heavily involved in the extremely serious confrontation dramatically and painfully described by the general (Balza) have not hesitated in assuming our responsibility for these events."

In a document published today by the Parana newspaper HORA CERO, former Montoneros Gustavo Mechetti (Entre Rios), Guillermo Bernardo Rave (La Plata), Raul Luis Copello (Buenos Aires), Roberto Daniel Juez (Cordoba), and Omar Orlando Schenl (Santa Fe) express their self-critical stance.

The first public statement with these characteristics, signed by the former guerrilla leaders of the 1970's, was released one week after the Army chief of staff voiced, during a television program, his self-criticism of the antisubversive repression.

The document issued by the former guerrillas emphasizes the necessity of "shedding light" on the years of violence in Argentina, with the goal "of not permitting a recurrence of such events" and "some day achieving, with God's blessing, national reconciliation."

"We were not and we are not terrorists," the former guerrillas explained. Nevertheless, they emphasized that they do not want "to appear as victims" because "we are not afraid of saying what we were and what we have done; we have assumed our activities with the courage and firmness with which thousands of Montoneros comrades faced death."

The former guerrillas noted that state terrorism "has never existed." They agreed with Balza that "the Armed Forces had been encouraged by segments of our community to establish themselves as the only champion of national tenets."

"It is necessary to admit the existence of open civilian support for those who had combat duty during the

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1970's," the document notes. The document holds "well-known people" responsible for supporting "Armed Forces" governments "while blood was being shed in Argentina."

In this regard, the former guerrillas mentioned priests, politicians, entrepreneurs, trade union leaders, and journalists. They mentioned [former President] General Jorge Videla's luncheons with figures "like [renowned physicist and writer] Ernesto Sabato" or "the Communist Party's" support for the [military] process.

The former guerrillas emphasized: "Thank God, this society, after achieving maturity through pain, reluctantly begins to look at itself and understand the tragedy as a collective event and victims as common losses."

The former guerrillas ruled out the possibility of "mistakes" in the military methods used to combat guerrillas, as "General Balza cannot ignore the fact that since 1959 many Armed Forces officers have been trained in so-called counterinsurgency techniques."

The former guerrillas pointed out: "It is possible to find an explanation for the mistakes described by General Balza in the very nature of the conflict, which is undisputably rooted in the centenarian history of conflicts among Argentines over antagonistic political and economic projects."

The former guerrillas indicated: "The necessity of annihilating, at all cost, those who were described as enemies of society encouraged, as the Army chief of staff now aptly and honestly points out, placing the enemy above dignity."

Ultimately, the former guerrillas urged Argentines "to combat their fears until they are removed completely, contribute to the achievement of peace and reconciliation without missing this opportunity of achieving it, and be willing to heal the open wounds of a stormy past that has cost us dearly."

The former guerrillas noted: "As Argentines, as a society, we can achieve a historic victory over our mistakes, weaknesses, hatreds, and inconsistencies."

In subsequent remarks to Radio El Mundo, Gustavo Mechetti, a former 2d Montoneros region leader from Entre Rios Province and one of the signatories of the Montoneros document, admitted having "had contacts with retired and active-duty military officers who had fought against us."

Mechetti added that these contacts had been held with the goal of "seeking an explanation, not a reason, for the events" that transpired in Argentina at that time."

In his remarks to Radio El Mundo, Mechetti added: "I hope these military officers will supply their names, as the spirit of General Balza's message indicates."

Mechetti ultimately said: "Society will benefit by definitively settling this tragic history."

'Tense' Political Panorama Viewed

95SM0305A Buenos Aires CLARIN in Spanish 16 Apr 95 pp 16-17

[Commentary by Eduardo van der Kooy: "A Tense Atmosphere"]

[FBIS Translated Text] Domingo Cavallo is once again at the center of the political stage. The economy minister seems to be involved in everything that is going on today in the administration's inner circle. Also, many of the developments that are jolting daily life in Argentina are directly or indirectly related to his policies.

That is the way it is. The administration has just seen, in Ushuaia, the most violent social uprising (one dead and 30 wounded) since the one that erupted in Santiago del Estero in 1993.

The conflict in the extreme southern part of the country was not an isolated, unusual development, save for its violence. Last week saw general or sectorial protests in 10 provinces, some of which, such as Cordoba, threaten to intensify in the days to come.

The administration made gestures, through President Carlos Menem and Interior Minister Carlos Corach, to dissociate itself from the bloody crackdown in Ushuaia. It made a point to clarify that the action by local police and the subsequent request to send in the national police were the responsibility of Governor Jose Estabillo.

But the reasons for the social protest in Tierra del Fuego are directly related to economic policy: rising unemployment has become one of the convertibility plan's vulnerable flanks and the main cause of political uneasiness in an administration that will be facing a general election in less than a month.

The figures on production and unemployment in Ushuaia probably reflect what has been going on elsewhere in Argentina during these years of economic stability. Historically there were about 10,000 jobs there, and 4,539 of them have been lost since 1991.

The provincial crises are compounded by the still unstable financial system and the announcements by the economic programming secretary, Juan Llach, about a jump in inflation in April due to higher prices for food, medicine, and clothing.

The administration fears that its strongest political card, the economy, which has enabled it to win easily all electoral contests since 1989, will begin to weaken in the electorate's eyes.

Some of the administration's nervousness has already begun to surface. Cavallo, for example, became furious with the UCR [Radical Civic Union] when Horacio Massaccesi predicted that the bank crisis would worsen before 14 May.

The minister does not know about campaign ploys, and Secretary General Bauza and Corach had to intervene so

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that he would ultimately not lose all sense of proportion. He admitted that he was prepared to cut off economic aid to Cordoba and Rio Negro even if this turned the homestretch of the election campaign into an inferno.

Menem also did his part. The president warned that if there were a second round of balloting, the country "would be in total chaos." This assertion would seem to warrant at least one objection: Menem is now questioning the second round that the administration itself negotiated with the Radicals during the constitutional reform in order to make reelection possible.

The reaction of Carlos Tacchi, the secretary of public revenues, should be seen in light of this tense atmosphere. Using far from academic language, he promised a veritable crusade against tax evaders. No one can doubt that his goals are just, but going after soccer clubs, which are supposed to pay 300 million a year in taxes, to solve our fiscal troubles is like trying to block out the sun with just your hand.

The secretary of public revenues blamed Bauza for congressional passage of a law that cuts the contributions of athletic organizations. Tacchi's outburst, both in its manner and its substance, not only revealed the delicate times that the economic plan is going through but also threatened to shatter the equilibrium of one of the administration's highest echelons: the one that Cavallo shares with Bauza, as a lead-in to his troubled ties with Menem.

Tacchi is not a member of Cavallo's inner sanctum but he has become an indispensable component in the convertibility plan because of his efficiency in collecting revenue.

The episode did not turn out to be disastrous, in any event, owing to the prudence that most administration players showed, and because the election campaign is preventing its top echelon from making such blunders.

At first glance, this was not an evenly matched political clash. Bauza is without doubt the leader to whom Menem delegates the most power. Tacchi, in contrast, is a second-tier player on the economic team.

Nevertheless, what many assumed such an unequal battle would leave in its wake did not happen. Quite the opposite, the temporizers sought above all to conceal the nasty political blow that the secretary general had to endure.

Bauza resorted to humor to cope with the awkward situation and vainly sought a public pardon. Menem pretended that nothing was wrong and denied that there were disagreements between the two officials.

Tacchi remained unperturbed. Neither the secretary of coordination, Horacio Liendo, nor a slew of his advisers were able to budge him: "I am going to repeat what I said in public as many times as necessary," he roared in front of his people. A close colleague of Bauza, Esteban Caselli, got the same response, albeit in a less heated tone, when he called up the secretary of public revenues and asked him for a rectification.

The behavior of the adversaries seemed to conceal the true political root of the problem: Tacchi's departure, which some were pushing for, would have been a direct blow to Cavallo. And the administration has firmly tied its electoral fate to whatever the minister may do, or undo.

In any event, Bauza received a consolation prize of sorts. Upon his return from an overseas trip, the economy minister straightforwardly demanded Oscar Camilion's resignation because of the sale of arms that had been diverted to Ecuador in the thick of its summer war with Peru.

The Menem people saw Cavallo's demand as an attempt to gain further ground in the cabinet. It did not matter that the scandal is still far from being clarified, as is the degree of responsibility that the defense minister may bear. In a reflex action, Menem himself confirmed Camilion in his post.

Another more consequential feud, which also involves the secretary general and the economy minister, is now being played out. The Patent Medicine Law, which is what it is about, was passed by Congress while Cavallo was in Japan, and no one in government lifted a finger until he got back.

Since then the administration has been marked by a patchwork of opinions. The economy minister insists that the president must veto two of the bill's fundamental articles (the one that provides that medicines must be manufactured domestically, and the one that gives Argentine laboratories eight years to start paying royalties for the use of foreign patents) in keeping with the stand of the United States. Cavallo is not mincing words this time. He is warning plainly and simply that a decision that goes against the administration will undermine the soundness of the economic plan.

The position of the deputies, headed by Jorge Matzkin, is to allow the bill to be enacted and to have the executive branch submit a new bill to Congress. This would have two upshots: on the one hand, a cumbersome judicial proceeding and, on the other, inattention to the objections raised by Cavallo and the U.S. Government.

The lawmakers are saying that they will fight a presidential veto and that, at the same time, it would not be at all bad for the administration to make a gesture of foreign-policy independence during the election campaign.

Above and beyond value judgments, the economy minister would seem to have his feet more firmly on the ground than the lawmakers do. This administration seems to be in no position to snub Washington.

Countries that pride themselves on their independence do not usually decide on their foreign policy in spasmodic fits; rather, they firmly and gradually mark their distance, if that is appropriate. The point is not to

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question the necessarily close relations between Argentina and the United States; but what has created doubts throughout this period has been the way in which they were being conducted.

A third position in the administration is the possibility of a broad veto, backed by Eduardo Menem and Corach, so that the entire law can be reconsidered, not just the articles to which the United States objects.

Bauza does not agree with any of this. He will try to negotiate with Congress to table the bill with objections so that it can be reconsidered. He has only one aim: to put off a decision on the Patent Law until after the elections.

The secretary general and the economy minister do not seem to agree on the course of the election campaign either. Bauza is still betting that the UCR will recover enough to neutralize both opposition groups equally and thus prevent a second round. Cavallo recommends a different tack: embroil Jose Octavio Bordon in a debate on how to emerge from the current economic crisis.

Certain recent moves would indicate, however, that the administration, in May, will be aiming its guns more at one rather than the other of its rivals.

Bordon said on a TV program that he would not bring Tacchi into a hypothetical administration of his, but he hinted that he might call on Llach. Bauza called on the secretary of economic programming to publicly distance himself from the Front candidate.

Bordon also spoke of a possible future political agreement with Palito Ortega. Menem immediately sent Corach on a confidential mission; on Wednesday the interior minister made a lightning trip to Tucuman to meet for an hour at the airport with the governor.

The administration wants Ortega in its election campaign as soon as possible.

Bolivia

Government-COB Accord Fulfilled; Banished Leaders Released

PY0305183395 La Paz Television Nacional Network in Spanish 1700 GMT 3 May 95

[FBIS Translated Text] The Bolivian Labor Federation [COB] and the government will fulfill the terms of the latest agreement reached. Moreover, the banished people will return to their homes within the next few hours.

By tomorrow there will not be a single banished person in Bolivia. The government, satisfied with the fact that 80 percent of the teachers are back at work, this morning ordered the release of all leaders.

COB Executive Secretary Oscar Salas, who is detained at El Alto military base, was visited this morning by a COB commission. After the meeting it was disclosed that Salas has confirmed that he will not abandon that base until the last banished person returns. In other words, Salas could be free by now, but he has chosen to await the return of his colleagues.

If the weather allows it, those people banished in San Joaquin will arrive this afternoon, according to the Government Ministry. The remaining banished people will be evacuated tomorrow.

The suspension of measures of pressure and the release of the arrested individuals are the main points in the latest agreement reached by the government and the COB.

Oscar Salas, Others Released; State of Seige Remains

PY0405001895 La Paz Radio Cadena Nacional Network in Spanish 2300 GMT 3 May 95

[FBIS Translated Text] Government Minister Carlos Sanchez Berzain has reported that the operation of ensuring the return of all banished people is in effect, and that it will conclude tomorrow, 4 May, at 1700, with the release of all detained and banished people.

The official report says that 16 people who had been held at the El Alto Airbase were released at 1600 this afternoon. It adds that top COB [Bolivian Labor Confederation] leader Oscar Salas Moya is among those who were set free.

It was also reported that a military transport plane arrived from San Joaquin carrying 30 banished people, who were also set free. Other flights are expected to arrive tomorrow from San Joaquin, Puerto Rico, Ramon Dario, and Colcha-k, bringing back the banished people. The government minister has promised that all detained and banished people will be set free by tomorrow at 1700.

Social Communications Minister Ernesto Machicao has also reported that top COB leader Oscar Salas was released today. Salas' possible participation in the negotiations being carried out at the Labor Ministry has not been ruled out.

Machicao promised that by Friday there will not be a single banished individual in the country. However, this does not mean the lifting of the state of siege, he said.

Concerning the treatment that will be given to agrarian union leader Evo Morales, he said this case is in the hands of the Government Ministry, because charges have been brought against him in the regular courts. He did not rule out the possibility that Evo Morales might be placed at the disposal of the technical judicial police.

Labor Leaders Seek Refuge in Chile, Claim Torture

PY0305171295 Madrid EFE in Spanish 1847 GMT 28 Apr 95

[FBIS Translated Text] Santiago de Chile, 28 Apr (EFE)—The three COB [Bolivian Labor Federation] leaders

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who sought refuge in Chile, following the massive arrests of labor union leaders ordered by the Bolivian Government, have charged that their fellow workers are being tortured by Bolivian security forces.

COB Press Secretary Ismael Tellez, Transportation Secretary Armando Duran, and Defense and Logistics Secretary Carlos Jimenez have reported that the number of arrested leaders could be no fewer than 600.

They said that their colleagues were transported to local places in 10 Hercules planes. According to the Bolivian authorities, each plane can carry "60 people sitting comfortably." Meanwhile, the CUT [United Workers Confederation] president has explained that this organization is taking steps so that the Bolivian labor unions leaders might be allowed to stay in Chile.

He explained that CUT leader Enrique Mella and other Southern Cone labor leaders will travel to Bolivia to discuss the situation of the arrested workers.

The Bolivian leaders arrived in Chile approximately 15 days ago to attend a meeting in the city of Arica. They said that this fact prevented them from going to jail.

They reiterated their condemnation of the state of siege decreed by Bolivian President Gonzalo Sanchez de Lozada after various weeks of social unrest.

Brazil

Cardoso's 'Changed' Attitude Following Trip to U.S. Viewed

PY0305211895 Rio de Janeiro O GLOBO in Portuguese 30 Apr 95 p 3

[Article by Tales Faria and Tereza Cruvinel]

[FBIS Translated Text] Brasilia—Economic measures to restrict consumption and to protect the Real Plan, the promised 100-real minimum wage, dozens of telephone calls to congressmen, a confrontation with the PMDB [Brazilian Democratic Movement Party], and the triumph of the approval of the social security reform in a lower house committee, are attributed to President Fernando Henrique Cardoso. The president who returned from the United States is not the same as the one who left.

"With the trip he recovered the notion of his stature and power. Cardoso is another man," said a joyful Deputy Jose Anibal, leader of the PSDB [Brazilian Social Democracy Party] in the Chamber of Deputies.

His opinion is shared by nearly all those who met with the president this week. He began to exert his authority and demonstrate political ability and leadership, as described by PSDB President Arthur da Tavola.

"He changed internally and externally. He has a healthy appetite for governing."

"The president is exuding determination," said Chamber of Deputies President Luis Eduardo Magalhaes, of the PFL [Liberal Front Party].

Everyone agrees that the trip to the United States was a decisive factor in the change. The president who left Brazil on 17 April carried several defeats in his luggage. But in the United States, upon dealing with President Bill Clinton and financial authorities like Citicorp Chairman John Reed, and speaking at prestigious forums like the Council of Foreign Relations, Cardoso realized he was greater than the man who had been enduring protests against the constitutional reforms and suffering from selfish blackmail type attitudes by his allies. During his conversation with President Clinton, Cardoso heard the President of the most powerful country in the world say that he was very happy with his election in Brazil and that, in accordance with international expectations, Brazil will become a first-class interlocutor.

Before returning, Cardoso indicated to those who accompanied him on his trip that he was convinced it was necessary to conduct the political coordination in the same manner he used to secure approval of the Social Emergency Fund bill when he was Itamar Franco's finance minister.

Senator Antonio Carlos Magalhaes, member of his retinue, was the first to notice this. As soon as he arrived in Washington, he confided the following to those he trusts: A different president is coming. The same thing happened with former PSDB President Pimenta da Veiga. The two unleashed a wave of expectations regarding the president.

However, the leaders of the government coalition parties only realized this during breakfast on 23 April. The president was polite, as always, but he demonstrated authority. PFL leader Inocencio Oliveira was the first to suggest postponing the vote on the sustainability of the social security amendment. Cardoso interrupted him. A postponement would sound like a defeat for the government. When PMDB leader Michel Temer insisted on postponing the voting, he was interrupted by the president:

"How will the country believe that I can have the economic reforms approved in Congress if we retreat in a committee vote?"

The president boldly met the challenge of the PMDB, which decided not to heed his petition.

"Then we will vote without the PMDB," he told PMDB President Luiz Henrique, as he turned pale.

On the following day, the PMDB shamelessly retreated and allowed its deputies to vote according to their conscience. Nine of the eleven PMDB members of the Constitution and Justice Committee voted in favor of the government position. Cardoso was right.

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ESCA May Lose Sivam Contract for 'Ethical Reasons'

PY0405001495 Sao Paulo FOLHA DE SAO PAULO in Portuguese 29 Apr 95 Section 1 p 9

[Article by Lucas Figueiredo]

[FBIS Translated Text] Strategic Affairs Secretary Ronaldo Sardenberg has gone back on his word. On 28 April he told FOLHA that even if ESCA [Automation and Control Systems Engineering] pays its debt to the Social Security System, it is not certain it will be awarded the Sivam [Amazon Region Surveillance System] contract.

"I don't know if (the payment of the debts) will be sufficient, but it is important," Sardenberg said.

Last week, Sardenberg said the contract might be signed if ESCA paid its social security debt.

Asked if the enterprise would be disqualified for ethical reasons from participating in the project because of charges of defrauding the Social Security Institute, Sardenberg said the matter is being "examined" by the government.

He reiterated: "I do not know if paying the debt is enough."

Sardenberg said he is awaiting a decision by President Fernando Henrique Cardoso before announcing if the contract will be signed or canceled.

In 1994, ESCA was selected without tender to manage Sivam and to develop the network's technology. The cost is $170 million.

At that time, the Strategic Affairs Secretariat claimed it was necessary to work with a national enterprise to keep "national security secrets."

At the end of 1994, INSS [National Social Security Institute] supervisors found 100 forged social security receipts at the ESCA office, which subsequently denied involvement in the fraud.

PT [Workers Party] Deputy for Sao Paulo Arlindo Chinaglia has said that ESCA owes 7.8 million reals [R] to public coffers as a result of the fraud.

Despite claiming that it owes nothing to the INSS, ESCA paid R1.2 million after the seizure of the forged receipts. The director's office of ESCA announced that it will demand return of the amount, "after confirmation of its innocence."

Chinaglia on 28 April filed a request with the TCU (National Accounting Office), asking for the invalidation of the informal Sivam tender by the Itamar Franco government.

SIVAM Contractor Company Goes Bankrupt, Transfers Rights

PY0405035195 Sao Paulo GAZETA MERCANTIL in Portuguese 2 May 95 p A9

[Article by Virginia Silveira]

[FBIS Translated Text] Sao Jose dos Campos—As a supplier of auxiliary VHF communications radio navigation systems and weather radars, Tecnasa Eletronica Profissional, one of the member companies of the consortium that won the Amazon Region Surveillance System (SIVAM) contract, is transferring the rights of its main military projects to Tectelcom Aerospacial Ltd. This company, which belongs to the Tectelcom Telecommunications Techniques, leader in the market of satellite signal receivers, was recently constituted to administer projects from Tecnasa, which is about to go bankrupt.

With the sale of the rights of its military projects and with the conclusion of its activities in Sao Jose dos Campos, Tecnasa will also have to reorient its contract with the SIVAM, which represents nothing less than $25 million. According to the agreement reached with Raytheon last July, Tecnasa is responsible for supplying between 8 and 12 weather radars for the SIVAM, in addition to auxiliary systems for radio navigation and VHF communications.

"Tecnasa reached the point where it either had to sell what it still had left or simply close its doors," said Tecnasa spokesman Marcos Vinicios Araujo. According to him, all the contracts Tecnasa had with the government are already being administered by Tectelcom. The final details of the sale and purchase of the rights of Tecnasa's projects, according to the spokesman, must be concluded by 10 May.

Tectelcom social communications supervisor Eduardo Carlos Castro Pandelo confirmed the negotiations to purchase Tecnasa's rights for military projects, but he reported that the process is not yet completed. Pandelo could not tell whether Tecnasa's contract with the SIVAM will also be transferred to Tectelcom.

Tecnasa, together with Embraer [Brazilian Aeronautics Company], Avibras [Avibras Aerospace Industry, Inc.], and Engesa [Specialized Engineers, Inc.], was one of the companies hit hardest by the crisis that affected the aerospace industry in Sao Jose dos Campos.

The Aeronautics Ministry is Tecnasa's most important client for radars and auxiliary radio navigation equipment for air traffic control. Nearly 90 percent of its income came from military contracts.

The transference of the SIVAM project to Tectelcom Aerospacial, however, has not been confirmed by representatives of the two companies, but neither has it been denied. The Aeronautics Ministry, which was sought by this newspaper to speak about the sale of the patent rights of the military projects, did not want to state anything. By petition of the Air Force Social Communication Center (Cecomsaer), GAZETA MERCANTIL sent in a fax on 17 April, but we had received no reply as of the time this issue went to press.

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Editorial Demands Transparency in SIVAM Proceedings

PY0305204995 Sao Paulo FOLHA DE SAO PAULO in Portuguese 29 Apr 95 Section 1 p 2

[Editorial: "In the Dark"]

[FBIS Translated Text] The SIVAM [Amazon Region Surveillance System] case urgently needs a shower of transparency. Despite the fact that it involves an astronomical amount—$1.4 billion—of taxpayers' money, the case has become more clouded as more information about it has been made available.

Actually, doubts arose from the very beginning. There was no tender for provision of the equipment because it was alleged that it was a secret project that involved national security. Curiously enough, however, dossiers on the project were sent to 16 embassies, to be passed on to the enterprises of their countries.

There is still a detail which is at least surprising: THE NEW YORK TIMES reported that Raytheon won the contract because the CIA reported to Planalto on the tips allegedly paid to Brazilian officials by Raytheon's French contender, Thomson. Other accusations have credited Raytheon's victory to U.S. pressure.

In Brazil, the case also caused surprise. ESCA [Automation and Control Systems Engineering] was selected to manage the system, also without a tender, on the grounds that only this company had the necessary experience, in addition to being qualified for the job and having full Aeronautics Ministry confidence. Actually, the enterprise has a longstanding, very close, and unique relationship with the government, and it gained the necessary experience in large public satellite and radar technology projects in Brazil, which are frequently awarded without a tender.

It was learned a short time ago that the Social Security System has charged ESCA with forging social security contribution receipts. It is strange (to say the least) that an enterprise suspected of defrauding public coffers should have been considered eligible and deserving of government confidence before the case had been properly clarified.

Incidentally, this is the government's essential duty, even more so in the case of a project of such magnitude and importance. The Social Security incident is only the tip of a true iceberg of doubts and agreements made without the essential transparency.

To continue with contracting procedures, and to commit so much public money without dispelling suspicions, would be, to say the least, a demonstration of government neglect with regard to its responsibility and of disrespect for the entire population.

Vote on Patent Rights Bill Postponed Until 17 May

PY0305213995 Rio de Janeiro JORNAL DO BRASIL in Portuguese 30 Apr 95 p 9

[Article by Eliana Lucena]

[FBIS Translated Text] Brasilia—Senator Ney Suassuna (PMDB-PB) [Brazilian Democratic Movement Party-Paraiba], rapporteur of the patent rights bill in the Senate Justice Committee, obtained 15 more days (extendable for an additional 15 days) to study nearly 150 amendments presented last week to his alternate patent rights bill. Senator Roberto Requiao (PMDB-PR) [Parana] alone presented 121 amendments. Senator Esperidiao Amin (PPR-SC) [Progressive Renewal Party-Santa Catarina] presented an amendment withdrawing biotechnological patents from the bill until 1999, and Senator Ronaldo Cunha Lima (PMDB-PB) presented an amendment establishing an eight-year term before the law comes into effect.

Suassuna's alternate bill, which displeases the government because it establishes a five-year term before coming into effect (the government wants one year), should have been voted on by the Senate Justice Committee on 24 April. Suassuna's alternate bill must still be analyzed by the Senate Economic Affairs Committee. Within this committee, the government will attempt a maneuver to have the bill approved in the Chamber of Deputies. Suassuna attempted to be rapporteur of the bill in the two committees.

Now, it is expected that the Justice Committee will discuss the bill again on 17 May. The government was in a hurry to secure approval of the law to allow President Fernando Henrique Cardoso to demonstrate the Brazilian Government's good will during his trip to the United States.

The greatest pressure comes from the multinational pharmaceutical companies, which want their patent rights to be recognized as soon as possible. One of the points they are insisting on is the pipeline [preceding word in English] (a mechanism that allows an invention that has become public by other mechanisms to be listed as patentable). The Chamber of Deputies alternate bill envisions this mechanism, while Suassuna's own alternate bill does not.

Patent Rights Controversies Viewed

PY0405013295 Sao Paulo FOLHA DE SAO PAULO in Portuguese 30 Apr 95 Section 2 p 3

[Article by Rogerio Cezar de Cerqueira Leite, Campinas State University professor emeritus and FOLHA DE SAO PAULO editorial council member]

[FBIS Translated Text] Because of President Fernando Henrique Cardoso's visit to the United States, at least two large U.S. newspapers published a paid ad by the U.S. pharmaceutical companies that labels Brazil as a pirate country.

The reason is that Brazil does not have an "appropriate" patent rights law for medicines even though Brazil has recently adhered to the Uruguay Round of the GATT Talks, which includes a chapter on patents (TRIPS) [Trade Related Intellectual Property Rights].

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To better understand the international patents issue, let us briefly describe the three aspects we continuously confront.

In 1883, the Paris Convention established the basic principles by which the signatory countries ruled their foreign relations, with regard to intellectual property rights. Basically, it established that a patent registered in a member country would be automatically respected in the other member countries for 12 months. Following this period of time, the patent should be registered in each country in order to be valid.

According to this document and its subsequent revised versions, the laws of each country are respected, including historical safeguards, such as the right of the governments to suspend privileges if the patent were considered harmful for the economy of the country as well as the compulsory license by which a country reserves the right to transfer to third parties the use of the patented innovation if the patent holder does not use it within a specified or determined period of time.

As evidence that what is sought with a patents law is to encourage internal production rather than to pay the inventor or to promote research, many traditional European laws do not distinguish between the inventor and the individual who introduces the innovation into a country.

Whoever introduces an innovation into a country holds monopolistic rights. Consequently, the demand for effective use of the application of the patent in the production of the innovation is a general rule in the internal law of European countries. In exchange, society expects to receive from the monopoly granted to the patent holder some immediate tangible benefits that only production ensures: Sales, employment, and economic activity.

Several countries joined and left the WIPO (World Intellectual Property Organization) according to their convenience. The United States, for example, did not respect copyrights [preceding word in English] until the GATT demanded that it do so in 1986.

In the pharmaceutical field, many countries joined the WIPO on a late basis. Therefore, Brazilian pharmaceutical companies are pirate companies; Canadian ones were pirate until 1976; Italian, Dutch, and Swiss ones were pirate until 1978; Danish until 1983; Koreans, Austrians, and Taiwanese until 1987; and Spanish until 1992.

Why did it take so long for these countries to join this agreement? The reason is that they were convinced that they would harm their budding pharmaceutical industries before they were consolidated, just as Brazil would feel.

The second aspect is related to the chapter of intellectual property rights called "TRIPS" from the latest GATT version. This agreement includes some items that are in direct conflict with the original concepts of the Paris Convention.

The first point that harms the interests of the technologically less developed countries is the fact that signatory countries are prohibited from including in their laws the demand of the use of the patent in the production of the innovation, and the requirement to accept as sufficient imports from the country in which the patent originated. That is, the patent could be used to establish a monopoly by a company whose sole link with Brazil, if any, is having contracted a patents lawyer to register its patents with an appropriate notary public.

A recent study has shown that of the 3.5 million patents valid in the entire world by the mid-1980's, barely 200,000 were registered in the southern hemisphere, and of these, only 6 percent benefited local individuals or companies. That is, scarcely 0.3 percent of the existing patents benefit developing countries, despite the fact that the number of people in these countries is six times larger than in the developed countries.

Therefore, any consideration of reciprocity can be ruled out based on the fact that all the signatory countries are subject to the same rules. It would be the same as justifying a fight between Mike Tyson and Betinho [Herbert de Souza, well-known frail, hemophiliac HIV carrier, sociologist and leader of the citizens' anti-misery campaign in Brazil] based on the fact that the rules of boxing are the same for the two.

The TRIPS also demands that Brazilian law grant patents to micro-organisms, a field in which humanity has not accumulated enough knowledge of and on a scale requiring legislation. If we are still discussing acceptable procedures for research, how can we legislate on a concession of monopolies and other trade characteristics?

Meanwhile, in order to be accepted by the developing countries the TRIPS agreement had to give a concession. It will come into effect in 10 years. Besides this, it acknowledges compulsory licenses only in a limited manner. But these two concessions are small. If nearly everything the Americans want is already included in the TRIPS, then why is so much pressure being exerted on Brazil to approve an internal law?

An internal patent rights law will necessarily come with time, and it may be superimposed on the TRIPS agreement even at the GATT. Besides, perhaps this is the most suitable moment politically to approve a benevolent law. This is why a double effort is being made, however, some points must be clarified.

First, the manner in which the law was originally proposed has no match in the rest of the world, except for Mexico. The Argentine Congress is still resisting despite the pressure exerted by President Carlos Menem, similar to that exerted by President Cardoso. It is not true that

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the U.S. pharmaceutical industry is losing $600 million per year as a consequence of the lack of a patents law in Brazil for this specific industry, as declared by that U.S. industry during President Cardoso's recent visit to the United States.

In 1990, given a total market of $3.74 billion, barely $114 million worth of medicines patented abroad were sold in Brazil out of the $1.45 billion represented by the 200 most sold medicines. Of this, the copies produced by Brazilian companies only represented $23 million worth of patent rights.

If the remaining $91 million worth of medicines with patents abroad were pirated, they were pirated by the multinational companies in Brazil, therefore, national copies of patented products is practically unimportant, slightly less than 1 percent.

Then why such great pressure? Is the intention to change the profile of the medicinal supply for the Brazilian people? Or could it be to ensure an international labor division and the permanent predominance of the international cartel that already controls the juicy $600 billion market?

A patent grants the patent holder the privilege to occupy a market niche. Those who hold the most patents are the companies and countries that carry out the most research. Those who carry out the most research are already rich and they control the larger portion of the market. Consequently, patent laws increase the difference existing between large and small companies, between rich and poor countries, and between the northern and southern hemispheres.

This is why no developing country favors a patents law and why developed countries exert so much pressure to make the former adopt such a law. There is no mystery in this.

Experts View Risks of Delay in Patents Bill Approval

PY0405032795 Sao Paulo GAZETA MERCANTIL in Portuguese 28 Apr 95 p A5

[Article by Livia Ferrari]

[FBIS Translated Text] Rio de Janeiro—With the 15-day delay in the vote on the Industrial Property Code in the Senate, Gert Egon Dannemann, president of the Brazilian Intellectual Property Association ABPI [Associacao Brasiliera da Propriedade Intelectual], fears that the new law will not come into effect this year. This, he says, will frustrate the commitments assumed by President Fernando Henrique Cardoso during his visit to the United States, and it harms the government intention to attract foreign investment in Brazil and to integrate the country into the international market.

Thus, Dannemann does not rule out the possibility of trade retaliation against Brazil, and he recalls that the United States has revealed the intention to include, as of May, Brazil in the list of countries subject to trade sanctions, including "the eventual adoption of surtaxes that could harm Brazilian exports to the U.S. market."

Based on this outlook, the ABPI president complains at the "slowness" of the voting process with regard to the new industrial property code and vehemently criticizes most of the 120 congressional amendments presented by Senator Ney Suassuna (PMDB-PB) [Brazilian Democratic Movement Party-Paraiba], rapporteur of the patent rights bill in the Senate Justice Committee. Dannemann understands that these amendments violate principles established by the TRIPS [Trade Related Intellectual Property Rights] agreement that was approved within the sphere of the Uruguay Round of GATT Talks and that makes protection of inventions obligatory.

The ABPI president does not conceal his interest in eliminating those amendments, and he even questions the right of the bill's rapporteur to present, in the field of industrial law, technical amendments, since, according to the Senate committee rules, any eventual changes suggested must be of constitutional and legal order.

Dannemann particularly criticizes the Senate proposals which "limit" the patenting process in the field of biotechnology. He refers to the congressional amendment that authorizes a patent only for laboratory-created micro-organisms. The ABPI president points out "regressions" in the field of contracts of technology patent licenses, since Senator Suassuna proposes eliminating the 30-day term for registering such contracts by the National Institute of Industrial Property (INPI).

Precision

INPI President Celio Franca does not criticize the 120 amendments presented by Senator Suassuna. He says that they were made public two weeks ago and they are still being studied by experts. Franca nonetheless advises that Suassuna should be very precise in the concepts expressed in the new Industrial Property Code so that the subject can be totally discussed in the administrative field, and not be left to the mercy of subjective interpretations.

Cardoso Negotiates, Obtains PMDB Support

PY0305195495 Sao Paulo AGENCIA ESTADO in Portuguese 2243 GMT 2 May 95

[Report by Christiane Samarco]

[FBIS Translated Text] Brasilia, 2 May (AE)—The PMDB [Brazilian Democratic Movement Party] today collected the first dividends of its fight with the government. After meeting with President Fernando Henrique Cardoso, Senate PMDB leader Jader Barbalho (Para) and Chamber of Deputies PMDB leader Michel Temer (Sao Paulo) late this afternoon left Planalto Palace with three good pieces of news for the party. The Transport

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Ministry, which is headed by PMDB member Odacir Klein, will have larger budget allocations, while the Regional Policy Secretariat, which is headed by PMDB leader for Paraiba Cicero Lucena, will be made politically independent. The party also received the promise that it will be well treated by PSDB [Brazilian Social Democracy Party] governors, who are reportedly "harassing" PMDB members, beginning with Minas Gerais Governor Eduardo Azeredo.

"This begins to satisfy the PMDB," Michel Temer said, hinting that the party could obtain new concessions from the government. "The rest will be a consequence," Jader Barbalho said, upon noting that it will not be public posts, because "it would be inappropriate to address this subject at a time when dialogue is being restarted." The two PMDB leaders, who gave assurances to the president that the party will continue to vote for government proposals, arranged for the continuation of direct negotiations between the PMDB and the president. "Whenever necessary we will have a direct communication channel, without middlemen," Barbalho said.

Temer insisted on the need to transform the Regional Policy Secretariat into an interior ministry, as in the previous administration, but he was satisfied with the president's proposal. "He gave assurances that the secretariat would be made politically independent," Temer said, noting that the president will ask Cicero Lucena to submit a plan of action and to indicate the funds that the secretariat will need. In order to calm down the Minas Gerais bloc, which accuses state Governor Eduardo Azeredo of harassing the PMDB, Cardoso phoned Azeredo to ask him to contact local PMDB members.

Temer said he will start conversations by asking Cardoso for a public demonstration of appreciation for the PMDB. "The president made it clear that he needs the support of the PMDB and that he will not relinquish it," Barbalho said. Spokesman Sergio Amaral was charged with publicizing Planalto Palace efforts to keep the PMDB within the government bloc.

On 27 April, Barbalho and Temer accused the PFL [Liberal Front Party], the PSDB, and government sectors of trying to cause an implosion within the PMDB. Today, however, Barbalho put a final period after the intrigues: "Enough of this muttering about relations between the PMDB and the government," the senator said. He said the conversation was "frank, loyal, and open," adding that he was "satisfied" after the meeting at Planalto Palace. In his opinion, the essential point, which was to put an end to suspicions in the relations, had been accomplished. The PMDB made it clear that it intends to remain a loyal ally, and according to Barbalho the president reiterated that he does not want to either encourage or foment division within the party.

'Focal Points' of Resistance to Reforms Emerge in Congress

PY0305221995 Rio de Janeiro JORNAL DO BRASIL in Portuguese 30 Apr 95 p 4

[By Carmen Zokak]

[FBIS Translated Text] Brasilia—The proposals for constitutional reforms in the economic order chapter will be voted on in the Chamber of Deputies this week. Neither the government nor the opposition, however, has any idea of the position to be adopted by the 513 deputies, especially the members of the bloc supporting President Fernando Henrique Cardoso. Expeditiously and discreetly, groups for resisting the reforms have already begun to organize.

Planalto Palace's strongest concern centers around the PMDB [Brazilian Democratic Movement Party], which has 107 deputies. In addition to the crisis in its relations with the government, the PMDB has several focal points of ideological resistance to the proposals for liberalizing the eocnomy. These PMDB focal points are moving increasingly closer to the silent coordination work being carried out by opposition parties—the PT [Workers Party], PDT [Democratic Labor Party], PC do B [Communist Party of Brazil], PSB [Brazilian Socialist Party], and PMN [National Mobilization Party]. Like PMDB deputies, PPR [Progressive Renewal Party], PTB [Labor Party], and PP [Popular Party] deputies are working to restrict the liberalization of the economy. "We are finding allies within the government bloc, but they must remain anonymous to prevent a government offensive," PDT leader for Rio de Janeiro Miro Teixeira has said.

Convictions

At the last meetings of the PMDB bloc in the Chamber of Deputies, 17 deputies reported that it will be difficult for them to "break with their convictions" in favor of the petroleum and telecommunications monopolies. "I do not want to go against the reforms, but I am a proud man and I am committed to my nationalist past," PMDB Deputy for Rio de Janeiro Noel de Oliveira said.

Major PMDB regional leaders are working behind the scenes to restrict the liberalization proposed by the government, especially the petroleum and telecommunications monopolies. Among them are deputies Marcelo Barbieri (Sao Paulo), Zaire Rezende (Minas Gerais), Rita Camata (Espirito Santo), Ivandro Cunha Lima (Paraiba), and former Chamber of Deputies President Paes de Andrada (Ceara). "Liberalization must be done carefully," Deputy Jose Luiz Clerot (Paraiba) has said.

Government leaders in Congress believe that internal PMDB resistance to the modifications in the economic order will not jeopardize the approval of the reforms. "There are conceptual differences on the degree of liberalization, but not on liberalization itself. The majority of lawmakers agree to that," says PMDB Deputy for Rio Grande do Sul Germano Rigotto, a government leader in Congress.

Regulations

According to preliminary studies, the PMDB will support the reforms, especially those making monopolies

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more flexible, if the government agrees to subject regulations to supplemental laws. Government proposals have placed regulations under ordinary laws, which are approved by the majority of deputies attending the voting session. Approval of a supplemental law, however, calls for a special quorum of 50 percent plus one of the 513 deputies.

"The focal points are being detected, and we will work on time. The proposals will be modified, but it is almost certain that they will be approved," says PSDB [Brazilian Social Democracy Party] Deputy for Ceara Jackson Pereira, the deputy leader of the government bloc.

There is also resistance within Fernando Henrique Cardoso's PSDB. For example, Deputy for Sao Paulo Tuga Angerami has not concealed the fact that he is against the end of monopolies. He is in permanent contact with opposition parties. According to a PT leader, Angerami even attends meetings at which strategies are being designed for defeating government proposals in the plenary session voting.

Government leaders estimate that at least eight PPR deputies will support the attempt to restrict the reforms making monopolies more flexible. Deputy for Para Gerson Peres, for example, has attended opposition meetings debating the petroleum issue. "I agree with liberalization, but it is necessary to define the areas for operation of private capital and the functions of Petrobras [Brazilian Petroleum Corporation]," he said.

The rapid debates in the special committees and the political problems between the government and Congress have thus far impeded a clear identification of focal points of resistance. "As of next week, we will start making an assessment to have an idea of the plenary session reaction," said PMDB Deputy for Sao Paulo Luiz Carlos Santos, the government bloc leader. "The government will have many surprises," said PT Deputy for Bahia Jackson Wagner. "The proposals to make monopolies more flexible will be defeated in the first plenary session vote," Miro Teixeira said.

Striking Workers Protest Constitutional Reform

PY0405025695 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 3 May 95

[FBIS Translated Text] Federal public servants and state-run company employees have gone on strike against the constitutional reform. The strike was decreed by CUT, the Sole Workers Center.

Workers have partially observed the strike. Oil and electric power sector workers, university professors and employees, and health and telecommunications sector workers joined the strike.

Rio de Janeiro electric power workers picketed in front of Light [Power Services, Inc.], the state's electric power company. According to the enterprise, 20 percent of the employees did not report to work. The strike command reported that 95 percent of Rio de Janeiro electric power workers joined the strike.

In Belem, 70 percent of Eletronorte [Northern Brazilian Electric Power Plants, Inc.] employees observed the strike. This information was reported by the workers' union.

Twenty of Eletrosul's [Southern Electric Power Plants] 33 units have stopped operating, although the enterprise's executive board said the strike will not affect power supply.

In Furnas Centrais Eletricas [Furnas Electric Power Plants Inc.], 150 employees joined the strike in Foz do Iguacu, Parana. Only four employees are handling supplying of the Itaipu electric power to the southern and southeastern regions.

In the social security sector, the strike was partially observed. In Salvador, no patient was admitted to the clinic of this hospital [video shows hospital].

In Rio de Janeiro, social security posts did work, and only three of them remained closed. According to the INSS [National Social Security Institute], payment of retirement allowances will not be affected.

At the Embratel [Brazilian Telecommunications Company] building in Rio de Janeiro, a picket line did not permit workers to enter. According to the union, 70 percent of telephone sector workers joined the 24-hour strike.

The oil workers strike has affected nearly all Petrobras [Brazilian Petroleum Corporation] refineries.

In Paulinia, Sao Paulo—the largest Brazilian refinery—the shift that began to work yesterday is still operating the plant.

At Duque de Caixias refinery, Rio de Janeiro state, 150 workers have been uninterruptedly working since midnight. According to Petrobras, gas and gasoline production should be discontinued tomorrow, but supply has been guaranteed.

Meanwhile, the Labor Force has called for a nationwide, 24-hour demonstration in support for Constitutional reforms on 11 May. The organization has 1,000 unions and 5 million workers.

The government will dismiss striking workers, while the courts imposed a fine of 100,000 reals per day on the unions that jeopardize supplies for the population.

The government will not negotiate. It reacted rapidly. As soon as the strike began, a counteroffensive was launched through the labor court. In this document, [video shows document] Petrobras and Eletrobras asked the courts to decree the nature of the strike in those sectors as abusive.

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The courts also reacted rapidly. They set a conciliation meeting between oil workers and the government for 1,000 on 8 May, while another conciliation meeting for electric power workers and government representatives should be set for 10 May.

Before these negotiations, the Superior Labor Court president, through this resolution, [video shows document] ordered strikers to maintain at least 30 percent of manpower at their work sites in order to prevent the strike from affecting the people.

The unions that disobey this resolution will pay a fine of 100,000 reals per day.

Yet according to Mines and Energy Minister Raimundo Britto, there are no risks to the people, at least for the time being. He is receiving reports every two hours, informing him that electric power generation and transmission and gas production remain unaffected.

Even so, whoever fails to report to work will be dismissed, the minister said. He concluded by saying that strikers are not ruled by collective agreement renewal date regulations, and the government will not negotiate with a political movement.

[Begin Britto recording] A political movement, a movement that has begun by saying that it is against the reforms, against privatization—in sum, a movement that is against the country, against the interests of the people—is not a strong movement. This is true because, if for no other reason, I am convinced that it is repudiated by the Brazilian people. [end recording]

Committee Approval of Brazilian Companies Amendment Hailed

PY0305195395 Sao Paulo AGENCIA ESTADO in Portuguese 1700 GMT 3 May 95

[FBIS Translated Text] Brasilia, 3 May (AE)—Deputy Germano Rigotto (PMDB-RS) [Brazilian Democratic Movement Party, Rio Grande do Sul State), the government leader in Congress, said a short while ago that the special committee's approval of the constitutional amendment that puts an end to the difference between national capital Brazilian companies and foreign capital Brazilian companies spearheads the drive to open up power generation and mining to foreign capital, and is the administration's first victory today. It will be followed by "the Chamber of Deputies plenary approval after 1400 local time of another amendment that will end the monopoly on the distribution of piped gas." The overjoyed government leader said that at this rate the Chamber of Deputies will approve all the economic amendments by June of this year. Rigotto explained that although the administration needs only 308 votes to get the amendment on piped gas approved, depending on today's quorum it could get as many as 340 votes.

Suspension of Piped Gas Distribution Monopoly Approved

PY0405010095 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 3 May 95

[FBIS Translated Text] The Chamber of Deputies today approved a constitutional amendment suspending the monopoly of piped gas distribution. Deputy Luiz Carlos Santos, the government leader in the lower house, said the amendment was approved with one small change: The acquired right of the companies already distributing gas will be respected until their concession expires. Santos said this voting session result represents a triumph for the country, adding that the understanding between the government and the opposition shows political maturity.

The amendment will be submitted to a second voting round in the Chamber of Deputies after five voting sessions. Only then will it be sent to the Senate.

Chile

Trade Official Views NAFTA, Mercosur Talks

PY0305192995 Santiago ESTRATEGIA in Spanish 24 Apr 95 pp 40, 42

[Interview with Carlos Mladinic, Foreign Ministry International Economic Relations director general, by unidentified ESTRATEGIA reporter—place and date not given]

[FBIS Translated Text] [ESTRATEGIA] Most of the attention in the trade field is currently centered on the possibility of reaching agreements with NAFTA or Mercosur [Common Market of the South]. What if these ambitious negotiation projects do not materialize?

[Mladinic] If they do not materialize it means we have not reached an agreement that will benefit the country and that is that. Let us not dramatize. Right now we hope to attain the opposite, in that Chile and its new partners find something mutually beneficial. But if we do not sign an agreement, it means we have consciously decided it was not right for the country. We will not sign any agreement unless we deem it beneficial.

[ESTRATEGIA] It seems the negotiations with NAFTA and Mercosur have reached a difficult phase. Obstacles, like the fast track [preceding two words in English] treatment, have surfaced that make one doubt...

[Mladinic] On the contrary, neither I nor those who participated in the negotiation teams ever thought it would be an easy task. We find it only normal and logical to encounter difficulties like the ones we are finding. There may have been the idea—which I believe is wrong—that this would be a very easy task which would not take long. We never thought like that and were certain that each agreement would be especially complex and not easy to

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reach. We are convinced we will reach a happy ending, and equally convinced it will be hard work.

[ESTRATEGIA] Why then do people believe the negotiations are becoming increasingly complex?

[Mladinic] I do not know why people might have this idea; probably because they are now aware of the difficulties that arise and the variety of subjects involved, especially when you introduce different issues.

The start of negotiations always entails a political statement. President Frei made a political statement when he met with the Mercosur presidents and announced Chile's desire to join a broad economic area that will result in a free trade zone. Then there was the declaration following the Miami Summit in which the NAFTA presidents told President Frei that the three friends had become four. It may be that when people who hear these political statements they believe it is all done. These political statements, which are tremendously important, represent only the beginning of a period of negotiations that may last some time.

[ESTRATEGIA] Will any sort of priority be established in the trade agreements our country is negotiating?

[Mladinic] We do not wish to prioritize; I do not think it is right. Each agreement will set its own pace. With NAFTA, we have just started preliminary technical talks. The negotiations will cause some concern once the U.S. Government obtains approval for a fast track treatment.

In the case of Mercosur we do not require any special mechanisms like the fast track. There is a political decision to start these negotiations and the time required will be different. The same goes for the EU, because we must await a EU proposal to Chile on how we can reach agreement and negotiate.

[ESTRATEGIA] Is Chile's negotiating capacity not overpowered by the need to meet so many requirements?

[Mladinic] That is a constant doubt, but we must also remember that the Chilean economy is experiencing a very special moment in which, funnily enough, the possibility for negotiating these agreements has surfaced. We cannot miss this opportunity saying: "Look, we will first complete one negotiation and then see if we can complete the other," because probably by then the other opportunity will have vanished.

[ESTRATEGIA] How long can we cope with so many parallel negotiations?

[Mladinic] We do not know. Negotiations end when a good agreement has been reached. In none of the negotiations do we feel tied to set timetables, we just want to achieve good results. We are not only involved in multilateral agreements, we are also negotiating some very important bilateral agreements. We are very interested in reaching agreement with Peru, enhancing our agreement with Bolivia, and continuing to progress with cooperation agreements with other countries.

[ESTRATEGIA] With all this are we not neglecting our ties with Pacific Asia and the APEC [Asia-Pacific Economic Cooperation]?

[Mladinic] APEC is a top level forum at which various subjects are discussed. This entails a great number of meetings per year in which Chile has the advantage of sitting at the table with the largest economies in the world and seeing what progress is being made towards a more open and developed world. We know there is a proposal for around the year 2020 to establish a free trade zone. This will force us, as the government, to make great coordination efforts to really get our people working and to take advantage of our membership of APEC.

[ESTRATEGIA] This will entail great expenditures, as well as trips, specialized surveys, hiring lawyers...

[Mladinic] We are fully aware all this has its cost. When the country decided and insisted on joining APEC it was aware that it would have its costs, but I believe Chile should also be aware that APEC can also give us great benefits.

[ESTRATEGIA] Would these greater costs imply, for example, increasing the Economic Directorate's budget?

[Mladinic] In the case of APEC we are not thinking exclusively of what it will cost the Economic Directorate because it involves several ministries. We must start to think about the future, about preparing a very good program for the meetings, deciding who will attend them, and including this in the ministries' budgets so they will understand that it is an important issue, that they must attend these meetings, and that they must participate.

[ESTRATEGIA] How about other cases? For example, the team negotiating with NAFTA has a budget within the Finance Ministry while the Mercosur team has a budget within the Foreign Ministry.

[Mladinic] We are obliged—and this goes for APEC, Mercosur, and NAFTA—to save as much money as possible and to take advantage of the capable people within the government. We will obviously ask for additional resources when necessary for the development of the agreements in the belief that the benefits will outweigh the costs but—I insist—we can cover our needs with the people we have.

[ESTRATEGIA] Will those in charge of technical negotiations continue to be officials of the various ministries?

[Mladinic] We are not thinking of splitting up the world among the various ministries. Definitely not. We will form inter-ministry teams and I do not believe the heads of those teams should necessarily be Foreign Ministry officials. I want those teams to properly coordinate their actions through the inter-ministerial committee. I think

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Juan Gabriel Valdes is doing an excellent job and is very well attuned with us; I do not see the fact that he is not a Foreign Ministry official as a problem. Later the job may be handled by an official of another ministry, but the teams will be approved by the inter-ministerial committee and, in this sense, the minister will also participate.

[ESTRATEGIA] Some sectors have criticized the way Chile is conducting the negotiations. Do you think the strategy of inter-ministerial committees is the best?

[Mladinic] Undoubtedly. Chile does not have institutions like those of other countries. Some countries have ministries devoted to this task. Even if we had a specialized ministry we would still need inter-ministerial teams. It is a good strategy because it allows the necessary coordination and consistency between the teams.

[ESTRATEGIA] Is the idea of creating a negotiation team and a private sector participation committee too much, too bureaucratic?

[Mladinic] Not at all. We believe it is an excellent plan. The inter-ministerial committee is relatively small, with only four members who will meet every week due to the importance of the subjects they will handle. Moreover, the committee will discuss the daily progress, coordinate the various styles, and hear the results of the negotiations. It is a committee of working teams that will arrange ministerial meetings, and inform the ministers of the most political and significant decisions. The private participation committee will gather the private sector opinion on the international economic negotiations and convey it to the ministers' committee. This opinion will be from the business and from the labor sectors.

[ESTRATEGIA] Within this context, what role does the Economic Directorate play?

[Mladinic] To closely follow the work that is being done, the inter-ministerial committee requires an executive secretariat—a role played by the Foreign Ministry International Economic Relations director general—which gives the working team good backing. In turn, those working teams will comprise and be headed by personnel from the Foreign Ministry and other institutions. The executive secretariat will coordinate all these negotiating teams.

[ESTRATEGIA] When will this structure start operating?

[Mladinic] Fortunately for us, because the work has already been very intense, it has already started operating to some extent. The teams are formed, the NAFTA and Mercosur groups have held working meetings and the ministers too; in other words, it is already working.

[ESTRATEGIA] How about the private sector participation?

[Mladinic] The idea is to continue the work by the private participation committee which has been functioning under the Productive Development Forum.

[ESTRATEGIA] What are the benefits of the trade agreements signed with Latin American countries?

[Mladinic] All of those that have matured have experienced a significant bilateral trade increase. Some have quite a significant increase in exports. The reason may be that when these agreements were signed, the Chilean economy was already quite open, and we were already receiving a significant amount of products from those countries. But in overall terms they have been successful: Trade with Mexico has been spectacular; the trade increase with Colombia is significant; so is the increase with Argentina, which is Chile's third largest trade partner. Who knows if this is the result of these agreements? No one can determine that, but they must have somewhat influenced the significant trade increase.

[ESTRATEGIA] Does the same go for the impact of these new negotiations with NAFTA and Mercosur? Is it just a matter of having greater access to markets?

[Mladinic] World trade was freed after the successive GATT rounds; customs taxes are gradually dropping, customs barriers are starting to drop. The new subjects that started to surface in the trade agreements are beginning to gain force. Among these subjects that are gaining force, for example, are tose concerning the rules of origin, access to services, agreements for the protection of investments, and agreements referring to double taxation, just to mention a few.

[ESTRATEGIA] One group of people—especially intellectuals—insist that Chile should continue its unilateral opening. Is that being taken into account or does it represent an obstacle to the current negotiations?

[Mladinic] In a small country like Chile, which has already decided its future growth will be based on increasing its exports, it is obvious that one must start to open up and seek new markets. For a country like Chile, it is essential to be very active in reaching multilateral agreements that will help to free up trade.

Most of Chile's opening was achieved through a huge unilateral effort, however, for some time now we have witnessed the establishment of economic blocs. We wondered if we could remain outside those blocs or whether we should join them. We decided it was better to try to join them. However, and we have stated this as a declaration of principles, we wish to maintain our regionalism policy open and this entails trying to join these economic groups, seek an advantageous negotiation that will lead to the establishment of a free trade zone, but never losing our ability to implement unilateral policies.

Bearing in mind the current opinion of various Chilean business sectors, I am not so sure we could now attain a consensus customs agreement so easily in Congress if we were to again unilaterally reduce all customs tariffs.

[ESTRATEGIA] Are you talking about the agricultural sector?

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[Mladinic] Not necessarily, there may be other sectors. To implement trade reform in Chile, we need the initiative of the executive branch and also that of Congress. The agreement must enjoy enough support and belief to get it approved. It would not be good to submit a bill of this nature to Congress, where it will take a lot of time to be passed, and create long-term uncertainty over future customs tariffs. Thus, we have never given up the unilateral policy concept, nor do we plan to reduce customs tariffs.

[ESTRATEGIA] With all the agreements signed so far, do you know what the average customs tariff in Chile is?

[Mladinic] Some estimates late last year talked about 8 to 9 percent.

[ESTRATEGIA] What about the small revenue that will no longer be collected due to these customs tariff reductions?

[Mladinic] One must consider that in addition to fiscal income there is a matter of flexibility; one must see how much trade increases at a lower customs tariff. Probably the great activities generated by imports and exports will make up for the lower revenue on customs tariffs, therefore, we believe that the overall benefit for the country in the long run will be greater.

Colombia

Businessmen Federation Head on Cost of Living, Contraband

PA0305150195 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 2 May 95

[Telephone interview with Sabas Pretelt de la Vega, president of Venezuela's National Federation of Businessmen, by Caracol News Director Dario Arizmendi and an unidentified reporter in the studios in Santa Fe de Bogota; from "Caracol's 0600 to 0900" newscast—live]

[FBIS Translated Text] [Arizmendi] The cost of living in April increased 2.23 percent, for a total increase of 10.62 percent so far this year. The annual inflation rate is 21.17 percent, compared to 23.94 percent for the 12-month period from April 1993 to April 1994.

Today, we will interview Sabas Pretelt de la Vega, president of the National Federation of Businessmen, Fenalco. Good morning. We would like to hear your reaction. What are your comments about the cost of living in Colombia, taking into consideration the government's objective not to surpass 18 percent by 31 December of the current year?

[Pretelt] Good morning, Dario. I believe the fact the inflation rate so far this year has been two points below last year's is healthy for the Colombian economy. The 18 percent goal is still achievable. The main point of the social pact is that for the first time in Colombia, businessmen, workers, and the government, Colombian society as a whole, are all working together to reduce the cost of living. If we achieve the goal of not surpassing 18 percent, that will be fine. If we manage to remain close to that figure, however, it will be fine, too. I disagree with those who criticize the social pact, saying the objective will not be accomplished. We should join efforts instead of criticizing what others do.

[Arizmendi] You sound very progovernment.

[Pretelt] On certain issues, such as the social pact, because I feel it is based on concerted efforts. This is not the case in other areas, as you will see soon when we start criticizing congressional plans to increase the value-added tax [VAT] as part of the tax reforms package. I believe that would be absolutely negative. We cannot increase taxes, because the president has offered tax reforms, among other things, with the sole objective of making taxes more equitable and avoiding tax dodging.

Attaching riders to bills, raising rates, the VAT are, quite frankly, things without justification as well as presumed. The least we can do is convince Congress not to allow that rider.

[Arizmendi] You were at the Cartagena Banking Commission. How did you receive the president's speech, the measures the finance minister has announced so the liquidity of the market can be greater, so interest rates can recede, and the resolutions issued a little while ago by the Bank of the Republic? Do you believe the cost of money will drop in Colombia?

[Pretelt] Costs must drop, because, in fact, with the current interest rates, which, among other things, were promoted by the government or the Banco de la Republica board when they were purchasing.... [pauses] The liquidity of the market was used to cover high interest rates, which led to an uncontrolled competition in the financial sector, and interest rates went up. No legitimate business can be conducted in Colombia with such high interest rates. Businesses and banks will go bankrupt again in the end. The reduction of legal reserves, as proposed by Banco de la Republica under the finance minister's leadership, is healthy. The reduction of interest rates to 25 percent for official [word indistinct] and checking account deposits is good. There will be competition, obviously, to obtain those resources, but it will be healthy for the economy, because there must be a trend to lower interest rates.

[Arizmendi] What do you have to say, Dr. Sabas Pretelt, about President Samper's announcement last night on three television stations in commemoration of Labor Day regarding a merciless struggle against contraband beginning next week? There are, in fact, productive sectors in Colombia that have been severely affected. We had broadcast "Caracol's 0600 to 0900" newscast on April 28 from Medellin, where people are resentful, particularly those involved in the contrabanding of tobacco, liquor, manufactured goods, and textiles. President Samper described smugglers as crooks. How have merchants reacted?

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[Pretelt] They are very encouraged, because we have seen recently an increasing number of contraband sales, which are strangling the economy. We must also look at what is happening with household appliances. It is very difficult nowadays for a businessman to produce and sell legally imported products due to the tremendous popularity of contraband. I believe a decision of this magnitude was necessary. We will support President Samper in this regard. It is absolutely essential for the government to contact the multinational companies that send merchandise to Colombia so they will not allow many brands to be smuggled into the country. An agreement can be reached in this regard with the large companies in order to fight contraband, which is destroying the Colombian economy. It is not logical to lower tariffs while contraband increases. This has happened because the government did not respond strongly as the president did in his speech last night. Light has been cast on our path.

[Reporter] Fenalco President Salas Pretelt de la Vega is satisfied with the government in general terms, because he trusts the social pact and he believes it is healthy for the economy to be two points below inflation in comparison to 1994. He is pleased with the decision to do something to lower interest rates, without which businessmen would not succeed. He is pleased and finds it encouraging that President Samper so strongly condemned contraband as he did last night. Pretelt does not agree, however, with the VAT increase, which he strongly opposes.

Serpa Visits Guaviare Coca-Growing Region

95WD0271A Santa Fe de Bogota EL TIEMPO in Spanish 24 Apr 95 p 19A

[Article by assistant editor Edmer Tovar Martinez]

[FBIS Translated Text] San Jose del Guaviare—The argument lasted an hour and a half. In the end, however, the voice of Government Minister Horacio Serpa Uribe prevailed: "There will be crop eradication at any cost. Not a single coca bush can be left in Colombia."

This scene occurred last Saturday, on the premises of the Guaviare Assembly. The actors were the government minister and about 50 leaders from the region, including peasants, governors, mayors, Indians, council members, deputies, and Church representatives, meeting last Saturday in San Jose del Guaviare.

Serpa visited the region to talk with the seven governors who were holding the third summit meeting of Orinoquia's chief executives.

At 1100 hours, when the minister arrived, several governors were taking their leave, because the summit had ended. The chief executives of Arauca and Guania, Jose Vicente Lozano and Humberto Tovar Herrera, respectively, had already departed.

Nevertheless, the meeting was organized with the authorities still remaining in the town.

Scores of people went to the Assembly headquarters. The Guaviare governor, Eduardo Florez Espinosa, opened the meeting, talking about the two Guaviares: that of livestock raising, farming, and fishing—and that of coca and the guerrillas.

The minister, taking the floor, repeated the statement that he had already made about peace, decentralization, the social leap, and the solidarity network. He touched very lightly on the issue of crop substitution.

Since the work stoppage due to the fumigations with glyphosate that occurred last year, this is the first time that a high-ranking government official has visited the region.

When Serpa concluded his remarks, a period was given for questions. However, they were not mere inquiries, but rather a litany of 19 speeches, with complaints and statements relating to the situation being experienced by the area's inhabitants.

"Half of a neighborhood block in the municipality of Miraflores was destroyed a few days ago by the Army, with bombings made early one morning," claimed Jorge Ariel Mejia, a resident of the town.

"Calamar and Miraflores are not a disaster zone. What we are asking for are the same things we requested ten years ago. We know that coca is not in the peasants' future. We want to change, but not by force," declared the mayor of Calamar, Roberto Castro.

Serpa confined himself to taking notes. The site was surrounded by police, the Army, secret agents, and guards.

The most critical moment in the meeting occurred when Deputy Pedro Arenas remarked: "Mr. Minister, don't do to Guaviare what you wouldn't want Guaviare to do to you or your children." Although this comment heightened the tone, the others were strong and categorical, but respectful.

A representative of the Nukak Indians claimed that this community was not the poorest but rather the most miserable. The Indian said: "People there do not know about the PNR [National Rehabilitation Plan] or the Office of Indian Affairs—much less the Social Leap, with the Solidarity Network."

The 19 speeches revolved around the fumigations with glyphosate, the social investment, and the guerrillas. The government minister responded to them, one by one, indicating that the government would not leave Orinoquia abandoned.

Serpa asserted: "We shall invest more money in the control of public order and in projects for the region, because that is the cost of the war. No one is being asked to give up his ideas or principles, but rather to defend them in an atmosphere of peace and tolerance."

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The minister promised to convey all the petitions to the central government, except that regarding the eradication of illicit crops—because, he maintained, that is an issue with no "reverse side."

Alternative Development Plan for Guaviare

95WD0271B Santa Fe de Bogota EL ESPECTADOR in Spanish 23 Apr 95 p 10A

[Article by special correspondent Jaime Fernandez Molano]

[FBIS Translated Text] San Jose del Guaviare—While the fumigations with glyphosate continue relentlessly over Guaviare's dense jungles, to eliminate the illicit coca crops, the government has announced the enactment of the Alternative Development Plan [PDA], to be started initially in Guaviare, within the next few days.

The announcement was made by the presidential adviser for the new departments, Alfonso Latorre Uriza, at the conclusion of the Orinoquia governors' meeting in this city.

Latorre Uriza indicated that the aforementioned program, being devised by Hector Moreno Reyes, national director of the PDA, is hoped to be ready for execution within two weeks.

The PDA, based on Guaviare as a model department for its application, will implement short-, medium-, and long-term policies with targets such as: loans for peasants; immediate assistance for persons suffering from the glyphosate fumigation processes; programs for rural development, housing, health, and technical assistance; and an entire package for crop diversification.

On the other hand, Government Minister Horacio Serpa Uribe, who came to this city intending to hold a dialogue with the area's peasants, told EL ESPECTADOR that the glyphosate fumigations would continue, "because they are still a government objective."

Meanwhile, the Guaviare governor, Eduardo Florez Espinosa, announced that, while the PDA is being implemented, the sectional government is designing livestock and agroindustrial promotion plans for the regions subjected to the fumigations.

Nevertheless, Florez Espinosa remarked: "There will be no government plans in areas such as Calamar, Miraflores, and Tomachipan, because these regions are too remote, and are located on the sites of forest reservations."

Charges Continue

Although the charges from peasants affected by the fumigations are still being submitted to the press, including acts and participants, no authority has received these charges to date.

The argument given by some of the peasants interviewed, who requested that their names be kept confidential, is: "How can we report police misconduct to the police themselves?"

In Tomachipan, according to charges made by various inhabitants, "The police climb down from their helicopters and take away the people's money and possessions, besides the coca."

According to the Guaviare police commander, Lieutenant Colonel Luis Eduardo Ortiz Ramirez: "There are complaint offices in the department, where we are willing not only to receive complaints of misconduct, corruption, or any other irregular act by the public force, but also to guarantee the confidentiality of the information reported."

Peru

Attorney General's Office Presses Electoral Fraud Charges

PY0305214195 Lima Global de Television Network in Spanish 0130 GMT 3 May 95

[FBIS Translated Excerpt] The Attorney General's Office has brought criminal charges against 12 employees of the National Election Board [JNE] and representatives of the enterprises that submitted bids and were awarded the contract to supply material for the 9 April elections.

The case will be heard at the 19th Criminal Court.

We now have a report on the statements by attorney Carlos Alberto Torres.

During a news conference, attorney Carlos Alberto Torres, especially appointed to handle the case, revealed that he submitted the charges to the 19th Criminal Court on Friday, 28 April, and that the head of this court has five days to proceed with or dismiss the case. The charges were pressed against the following JNE employees and members of the committee in charge of awarding contracts: Committee Chairman German Ruz Carnero, Eli Illano Alayo, Carlos Gomez Aguilar, Jose Gulder Pena Ortega, Cesar Enrique Sanchez, Julio Torres Bravo, Gilda Osoria Ramirez, and Berta Caube Quesillas. Moreover, charges were brought against the following representatives of enterprises that also submitted their bids: Raul Guerra Huertos, Roberto Samuel Guerra Huertos, Edwin Noceda Martadolet, and Edward Moises Bella Anturia. The aformentioned are all charged with crimes in the awarding of contracts to supply material for the elections.

[Begin Torres recording] They are allegedly guilty of collusion, in the form of fraud and illegal deals, as well as of corrupting officials through passive corruption, involvement of illegal interests in the closing of deals, and illegal enrichment to the state's detriment.

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[Unidentified reporter] What punishment could they....

[Torres, interrupting] Well, the sentences vary from two to 15 years. But in addition to the aforementioned, some representatives of enterprises that submitted bids have also been mentioned. [end recording] [passage omitted]

During a news conference this afternoon, JNE representatives referred to the alleged existence of a clandestine vote counting center. They also reported the disappearence of 37,000 vote tally proceeding records for which the corresponding notification has been submitted to the Attorney General's Office.

The JNE labeled irresponsible press reports on the alleged existence of a clandestine vote counting center located in the civic center, which has cast some doubts on the legitimacy of the elections. The purpose of a parallel vote counting center set up in the civic center was to provide for any emergency that may have surfaced, and to serve as a backup if the need arose. [passage omitted]

Commentator Urges Release of Arrested Officers

PY0305113995 Lima LA REPUBLICA in Spanish 23 Apr 95 p 4

[Commentary by Mirko Lauer: "The Hostages of the 1992 Coup"]

[FBIS Translated Text] The subject of retired General Walter Ledesma's arrest has to do with the Armed Forces' relationship with the political order and, within this framework, with the democratic order. We are faced with a double standard: The military, on active duty or retired, can support Fujimori without any problems, but they cannot be independent and express their opinions. The rule should be the same for all officers.

Ledesma's arrest seems to be an act of revenge due to the military defeat before Ecuador and an attempt to make up for the strategic domestic situation. Alberto Fujimori won the election, but General Nicolas Hermoza lost the war with Ecuador. It seems that no military officer should mention this fact because it affects the internal military negotiating card.

The problem with Ecuador might be preventing the Armed Forces leadership from participating, as it expected to do, in the electoral victory of 9 April. Hermoza's problem now may be how to recover his negotiating capacity with Fujimori, who boasts that his political basis is the majority support obtained, synonymous with democratic legitimacy.

What is allegedly being negotiated? The size of the military budget; not only weapons, but the military payroll as well. A longer-term distribution of resources similiar to [former President Juan] Velasco Alvarado's "progress with security" program. And, finally, a place at the highest levels of supreme power, for example, the military circles political pact of 1990.

But what we are probably faced with is more specific negotiations in which Hermoza is trying to remain in his post beyond 28 July. A NEW YORK TIMES editorial on Fujimori's victory clearly said: We congratulate you on the job done, but now start getting rid of the coupists and start to implement a true democracy.

From that perspective, Ledesma's arrest would be evidence that the hardliners remain with their weapons in their hands, warning Fujimori to fulfill his 1992 coupist commitments and to be a marginal president linked to a successful project, but who does not dare to say his name in public. Ledesma or Jaime Salinas would thus be Hermoza's hostages before democracy.

If Fujimori really believes in his new electoral victory, then he must dare to appear as a representative of the stability his civilian government represents, and to release all the military who are under arrest or exiled. A decision of that nature will only strengthen him, and lay the groundwork for a new institutional relationship with the Armed Forces.

Otherwise, it would be correct to think, as some do, that Fujimori won, but not democracy. The Armed Forces will only be thankful for being relieved from the political yoke and thus be able to return to their institutional and guardianship roles. They will thus be able to become part of a democratic power similar to that which allows the more pragmatic and more effective countries of Latin America to progress.

It is essential to show that democracy won the 9 April elections. Otherwise, we would only have seen a vote for the defeat of democracy.

Uruguay

President Rejects Revision of Human Rights Violations

PY0405024195 Madrid EFE in Spanish 1856 GMT 3 May 95

[FBIS Translated Text] Montevideo, 3 May (EFE)—Uruguayan President Julio Maria Sanguinetti has assured the military hierarchy that the discussions on human rights violations during the de facto government will not be reopened, as is happening in Argentina.

"Happily there is no comparison" between the events that occurred in the two countries during the 1970's and 1980's, Sanguinetti said during a recent meeting at the Military Center. This was revealed to the newspaper EL OBSERVADOR ECONOMICO by participants of the meeting.

Defense Minister Raul Iturria and the Uruguayan Army, Air Force, and Navy commanders, among others, participated in the meeting.

The morning newspaper says Sanguinetti stressed that there is no parallel between the "seriousness" of the events in the two countries and the "repression" that was carried out against society.

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He recalled that in Uruguay the situation of the human rights violations during the military regime (1973-1985) was overcome with the Expiration Law that was approved in 1986 by Congress and ratified by the people in a referendum in 1989.

A congressional committee that studied the matter in 1986, found that 46 Uruguayan military men and policemen were "seriously involved" in human rights violations during the de facto government, but their trials came to a standstill with the implementation of the Expiration Law.

General Martin Balza, the present commander in chief of the Argentine Army, last week admitted—12 years after the Argentine military regime left power—that illegal methods were used to combat leftist subversion between 1976 and 1983.

During that period some 9,000 Argentines, and probably some foreigners, were executed or disappeared. A former Navy captain and a former Army seargent recently said many of them were thrown alive into the River Plate from planes and helicopters.

A congressional committee concluded that 164 Uruguayans—118 men, 38 women, and eight children—disappeared during the military regime. Of these, 32 disappeared in Uruguay, 127 in Argentina, three in Chile, and two in Paraguay.

The Uruguayan Government recently asked the Argentine Government for information about a list of Uruguayans who disappeared in Buenos Aires during the regimes that governed the two countries.

Economy Minister Outlines Strategy

PY0305230095 Montevideo EL PAIS in Spanish 27 Apr 95 p 8

[FBIS Translated Text] During the monthly luncheon of the Association of Marketing Managers on 26 April, Finance Minister Luis Mosca fully confirmed the economic measures announced by the Sanguinetti administration and said that the latter's future success depends on the structural reforms it is currently undertaking.

The following is a summary of Mosca's speech:

—The economic policy must facilitate a stable macroeconomic environment with the least amount of uncertainty, even though uncertainty is bound to be always present in a small economy.

—The short-term program seeks to swiftly put public finances in order, bearing in mind the conditions imposed by the present regional situation.

—The fact that there will be no economic growth implies, within this context, that domestic demand may decline somewhat, in which case tax revenue will decrease with a resultant rise in the fiscal deficit.

—Tax revenues must attain a level that enables the achievement of basic macroeconomic balances, both in the domestic and the foreign sectors of our economy.

—To achieve a balance in the external payment position it is necessary to reduce the deficit in the current account of the balance of payments. As for the domestic balance, efforts should be made to achieve the essential and necessary adjustment between aggregate demand and supply at the lowest possible prices.

Short-Term Objectives

1. To reduce inflation to 35 percent during 1995; this process is to be strengthened in the 1 April 1995-31 March 1996 program year. For the end of the program year the updated inflation rate could be around 30 percent.

2. The economic activity in 1995, and regionally, must not be less than that of 1994 (when it grew by 4.6 percent). To comply with this forecast it was necessary to adopt measures to improve the competitiveness of productive sectors; such as the Improvement of Competition and the Financial Reorganization of the State Law.

3. To reduce the current account of the balance of payments to 2 percent within the 12 month period ending in March 1996. In 1994 it was equivalent to 3 percent of the GDP.

4. To maintain and increase the Central Bank's level of net international reserves.

5. To ensure the most lacking sectors are not affected by the reorganization of the basic equilibrium of the economy.

Mechanisms

1. To reduce the public sector deficit to 1.5 percent of the GDP (it amounted to 2.8 percent in 1994) within the year that ends in March 1996.

2. The external indebtedness of the state in real dollars will not increase because the debt will be financed with an inflation-adjusted tax at the levels that are expected by the government.

3. To reduce public expenditure of the components that are able to absorb the readjustment—such as the nonopening of vacancies in the public administration—and the elimination, through laws, of the channels that make the opening of vacancies possible.

4. To reduce daily expenses and supplies to a bare minimum.

5. To return to the historical level investment in public works, keeping their implementation within the short-term objectives.

6. To keep the monthly decline of the foreign exchange bracket within 2 percent per month until inflation falls significantly.

The outgrowth of this and other mechanisms on some presumptions include: The ordered development of events within the region and the limitation of the

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internal credit of the Central Bank and other official banking institutions in line with the Central Bank's goal for reserves and the expected variation of the monetary gross.

The amortization of the foreign debt will be increased through access to private and multilateral credit organizations (Inter-American Development Bank, World Bank, etc.).

Salary Policy

The salary policy must follow the same path so that the mechanisms described here can function harmoniously within the fiscal, credit, and financial sectors.

The Economic Competitiveness Sub Committee and the technicians of the parties that make up the government coalition (Colorado Party, PGP [Party of the Government by the People], and the National Party) and New Space have agreed that the salary policy for the private sector must guarantee the competitiveness of the business sector within the framework of negotiations within each sector, but always respecting—and this is fundamental—the various situations that can arise within each enterprise. This aspect is more important in sectors exposed to international competition.

Structural Reforms

The structural reforms that will permit the stabilization and overall competitiveness of the economy must be approved so that the program can acquire consistency: The reform of the social security sector, the draft of which and the reform of the state will be submitted to Congress next week.

The bases of these reforms must be approved during 1995.

Regarding the reform of the state, the government has promised that when it submits its budget for the 5 Year Plan on 31 August, it will include a proposal for administrative reform that basically seeks to cut and rationalize expenditures of the various government components, plans an institutional reorganization of the state, modernizes the administrative systems and the budget and financial controls, and rationalizes work conditions within the public sector.

The basic idea of this proposal is to intensify state actions in specific areas or where it is highly competitive with the private sector, basically the sector pertaining to exports. It will seek to unload those areas in which the private sector can manage better.

Capital Market

Regarding the reorganization of the financial area and the capital market, the government has assigned utmost importance to the approval of a Stock Market Law that will bolster the Stock Market as a source of finance. This will be complemented with initiatives like the Foreign Investment Law and modifications to the Law on Corporations which have already been submitted to Congress, and to a plan for restructuring the Bank of the Republic.

The tax system will also undergo reforms. The tax pressure will be reduced so that productive sectors can adapt to the rules of external competition.

Venezuela

Roundup of Economic Developments

PA0305011795

[FBIS Editorial Report] The following is a compilation of reports on economic developments in Venezuela monitored through 2 May.

On 24 April, the Central Bank of Venezuela (BCV) reported that the yield of Monetary Stabilization Bonds (TEM) placed with 90 or 91 day terms will be used to calculate annual interest rates for the banking sector. This means that bank rates will be adjusted weekly according to TEM 90-91 day yields. Floating interest rates may be set at a maximum of 24 percent above the TEM yield, while fixed rates will have a minimum equivalent to the TEM yield. (Caracas REPORTE DIARIO DE LA ECONOMIA in Spanish 25 Apr 95 p 3)

The BCV has reported a $188.8 million decline in international reserves between 10 and 24 March. A BCV bulletin announced that international reserves totaled $10.9495 billion as of 24 March. Meanwhile, operating reserves declined by $53.2 million, going from $7.1442 billion on 10 March to $7.0910 billion by 24 March. By the end of December 1994, international reserves totaled $11.0539 billion. (Caracas EL GLOBO (ECONOMIA Supplement) in Spanish 28 Apr 95 p E-2)

Venezuela and Lithuania have signed an agreement to promote and protect investments. The agreement is designed to strengthen bilateral economic cooperation and establish favorable conditions in both countries for investments in industrial and commercial areas. Foreign Minister Burelli explained that at Lithuania's request Venezuela might sell Orimulsion [boiler fuel comprising 70 percent bitumen and 30 percent water] to Lithuania for use as its principal source of energy. (Caracas REPORTE DIARIO DE LA ECONOMIA in Spanish 25 Apr 95 p 12)

In March, the Consumer Price Index (CPI), which measures the country's rate of inflation, rose 3.1 percent. According to the Central Statistics and Data Processing Office, the regions with the highest inflation rates were the Andes with 3.3 percent, followed by Caracas, Guayana, and the islands with 3.2 percent. The increase in the price of household goods totaled 7.1 percent, which helped drive the overall CPI figures higher. (Caracas ECONOMIA HOY in Spanish 25 Apr 95 p 8)

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Approximately 600 small and medium-sized industries have requested the restructuring of a 12 billion bolivares debt with the Corporation for the Development of Small and Medium-Sized Industry (Pymi). Industry representatives are reportedly negotiating a settlement with officials from the Development Ministry, Pymi, and various banks. This sector owes private banks approximately 4.8 billion bolivares. (Caracas ECONOMIA HOY in Spanish 28 Apr 95 p 11)

According to a 28 April, Caracas-datelined report, foreign investments in Venezuela totaled $71.0076 million during the first quarter of 1995. The Foreign Investments Superintendency reported that investments for the same period in 1994 were $49.1401 million. Official sources in Caracas said the majority of investments were earmarked for the manufacturing sector. Most foreign investments came from European countries, Latin America, the Caribbean, and the United States. (Paris AFP in Spanish 2020 GMT 28 Apr 95)

According to a 28 April, Caracas-datelined report, the average price per barrel of Venezuelan crude oil has hit $16.19—its highest level in 12 months. The Ministry of Energy and Mines said this quotation is 44 cents higher than the price at the close of the week of 16 April, reflecting an upsurge in international oil prices. The average price per barrel of Venezuelan oil was $13.34 in 1994 and $13.35 in 1994. The government had forecast an average price of $13.50 for 1995, therefore, if prices remain high, the state treasury will receive a considerable amount of additional income. (Madrid EFE in Spanish 2116 GMT 28 Apr 95)

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